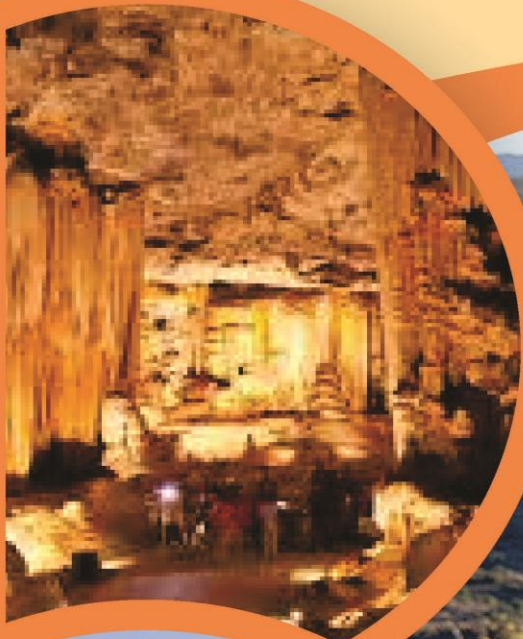


Oudtshoorn Municipality



Annual Report 2018/19

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CHAPTER 1

MAYOR'S FOREWORD

It is with great pleasure that I introduce the 2018/19 Annual Report of The Greater Oudtshoorn Municipality. In terms of Section 46 of the Local Government: Municipal Systems Act No. 32 of 2000 and Sections 121 and 127(2) of the Local Government: Municipal Finance Management Act, No 56 of 2003, the Municipality must prepare an Annual Report for each financial year, which must be tabled by the Executive Mayor within seven months after the end of each financial year.

It is always a challenging task to provide a complete account on the responsibilities conferred upon Council by the electorate. In giving account, we do so conscious of the fact that the public deserves its rightful place at the apex of the 'accountability chain'.

With the timely reporting to our counterparts in government, the people of Oudtshoorn and all those who live, work and play in our municipal area we strive to provide insight into our approach to governance, our service delivery and the impact both has on the residents and community. This Annual Report is a culmination of the implementation of the Council's adopted Integrated Development Plan (IDP), Budget and Service Delivery and Budget Implementation Plan (SDBIP) for the 2018/19 financial year.

The report is an account of The Greater Oudtshoorn Municipality's achievements in the year under review, and it also assists in identifying our successes and failures. This report is therefore intended to attest to the collective efforts of the administrative and political arms of the Municipality to progressively address the expectations of our people.

We continue to strive to be a strong and caring municipality that aims to improve the quality of life of all our citizens in a sustainable manner. In our efforts to improve the lives of our citizens, we aim to achieve excellent levels of service delivery as well as financial and political stability throughout.

We will continue to accelerate the institutionalisation of performance management to ensure that all our efforts towards service delivery are tracked, monitored, evaluated and improved. It is through this approach that we will ensure the accountability of: the Municipality to local communities; the administration to Council; and the line functions to executive management.

As a Municipality, we are aware that realistically basic services cannot be rendered in a sustainable manner nor can infrastructure such as roads and electricity, water and sewerage networks be maintained unless rates and taxes are paid consistently. Therefore, we acknowledge that our successes are not only a testimony of our efforts, but also testimony of the selfless contributions made by all our stakeholders through funding support, business sector and the residents through participation in municipal processes and in being loyal in meeting their municipal obligations in a difficult economic climate.

Oudtshoorn Municipality is committed to impact on the lives of its residents and to make a meaningful effort to impact significantly on the dignity and livelihood of our resident. We always strive to deliver quality and effective services to all and we



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go above and beyond our normal duty to provide basic services to all residents. The Municipality has managed to adequately meet the demand for basic services to all residents and has performed well with the acceleration of its infrastructure development programme.

In conclusion, I would like to thank my fellow councillors, particularly the members of my Mayoral Committee, as well as the Municipal Manager, Mr. Allan Paulse, the management team of the Municipality and all municipal officials for keeping the Oudtshoorn Municipality aligned to its efforts in making Oudtshoorn once again the pride and jewel of the Klein Karoo.

COLAN SYLVESTER

EXECUTIVE MAYOR

EXECUTIVE SUMMARY

1.1 Municipal Manager's Overview

My viewpoint on the progress made in the financial year under discussion is tempered from very optimistic to less optimistic in view of the following occurrences:

None functioning of the structure of governance (Council, Mayco & Portfolio)

This impeded our ability to effectively engage with stakeholders in the process leading up to the timeously adoption of the IDP and Budget. The non-functioning of the structure of governance had a severe impact on all aspect relating to service delivery and the functioning of the administration. Our best endeavours to address the shortcomings identified by the Auditor General in the previous year was severely affecting the smooth management and governance of the institution.

Organisational Redesign

Council committed to start a process of creating a new organisational structure that would be more in line and suitable for our core functions and purpose. The project was however delayed due to a shortage of funding. After securing more funding, a tender was finally awarded in December 2019 and the process will commence in January 2020. It is envisaged that the process will be approved with the 2020 financial year. It is envisaged that a new staff structure will enable the Municipality to be more effective and efficient in delivery services to the community.

Moratorium on the filling of vacancies

The municipal council took a decision to place a moratorium on the filling of budgeted vacancies. This had a huge impact on the functioning of the municipal administration, especially in the finance as well as the service delivery departments. The moratorium hampered the ability of the Municipality to ensure that skilled people are appointed in vacant positions.

In addition, the resignation of the CFO and Director: Technical Services, left a void of senior leadership and planning responsibilities for oversight as well as oversight. The institutional knowledge built up over the last two years by these two individuals were lost in the process. In the case of the CFO the financial recovery plan which is a pivotal project have to be handed over to any newly appointed CFO. In the instance of the Director: Technical Services, the water, drought and the intricacies around the Blossoms Project brings its own unique challenges.

Local state of disaster due to water shortages

The drought situation in general impacted severely on our ability as an institution to provide continues supply of potable water to residents. Dam levels fluctuated from time to time and water consumption restrictions was a definite consideration and had to be imposed. The critical nature of the Blossoms Project became more evident to secure long-term water security to the greater Oudtshoorn area. Intensive discussions took place between the Oudtshoorn Local Municipality, Western Cape Department of Local Government as well as the National Department of Water Affairs. Pursuant to the discussions, R30 million was received towards the end of the 2019 financial year for drought relief and an additional R20 million in support of the drought situation.



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However, the abovementioned 50 million would still reflect a further shortfall of approximately 50 million to complete the Blossoms Project.

Despite the abovementioned challenges, certain milestones had been achieved:

- The overall financial health in terms of the Auditor General's report, keeps on improving;

Financial Viability Assessment		
Overall Assessment	As at 30 June 2019	As at 30 June 2018
Overall the financial viability is assessment	Good	Good

- The Oudtshoorn Municipality won the National Govan Mbeki Housing Award in November 2018;
- 318 new houses were handed over in Rosevalley phase iii;
- Funding was secured from the Provincial Department of Economic Affairs to upgrade the airport runway, replacement of old runway lights with more cost-effective LED lights and ensure that the aerodrome remains an alternative/backup airport to George options. As such, the facility will be in a much better state for future long-term lease management and operational options. This will enhance tourism and investment opportunities and as a result create much-needed jobs.
- Provision of bulk infrastructure at Dysselsdorp to increase power supply for future housing development;
- A sod turning ceremony of the Rosevalley Public Library took place in August 2018 attended by the MEC for Cultural Affairs and Sport, Anroux Marias, the said department will fund the cost of approximately 2 million rand for the construction of the library.

The abovementioned amplifies a few of the highlights achieved by the Oudtshoorn Municipality and more detail thereto are contained throughout this annual report.

In conclusion, I wish to state that Oudtshoorn Municipality has received its first unqualified audit opinion since the 2013/14 financial year. The Municipality improved from an adverse opinion in 2014/15, followed by three consecutive qualified opinions to this current unqualified opinion. As Municipal Manager, I would like to express my appreciation to all staff, councillors as well as the Provincial Government Western Cape for the support in achieving this milestone. I would also like to reiterate that a massive effort will be needed to address the matters highlighted throughout this annual report, which is inter alia:

- Control deficiencies;
- Compliance with laws and regulations;
- Improve contract management;
- Human resource and consequence management;
- The need to adopt a new/fresh set of delegations becomes paramount in 2020.

ALLEN PAULSE

MUNICIPAL MANAGER

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1.2 Municipal Overview

This report addresses the performance of the Oudtshoorn Municipality in the Western Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

The 2018/19 Annual Report reflects on the performance of the Municipality for the period 1 July 2018 to 30 June 2019. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an Annual Report for each financial year.

1.2.1 Vision and Mission

The Oudtshoorn Municipality committed itself to the following vision and mission:

The Municipality committed itself to the vision and mission of:

Vision:

"Prosperity for all"

Slogan:

A town to grow, work, play and prosper in

Mission:

A responsive municipality creating opportunities for its community through:

- Open, transparent and honest governance;
- Providing innovative, effective and efficient services;
- Promoting sustainability, economic and social development; and
- Safer communities

1.3 Municipal Functions, Population and Environmental Overview

1.3.1 Demographic Profile

Demographics is broadly defined as the study of population dynamics which are significantly influenced by a wide array of factors such as birth and death rates, migration patterns, age, race, gender, life expectancy etc. The importance of understanding demographics as a decisive factor in shaping our current socio-economic reality is therefore critical for governments, economists and politicians alike.

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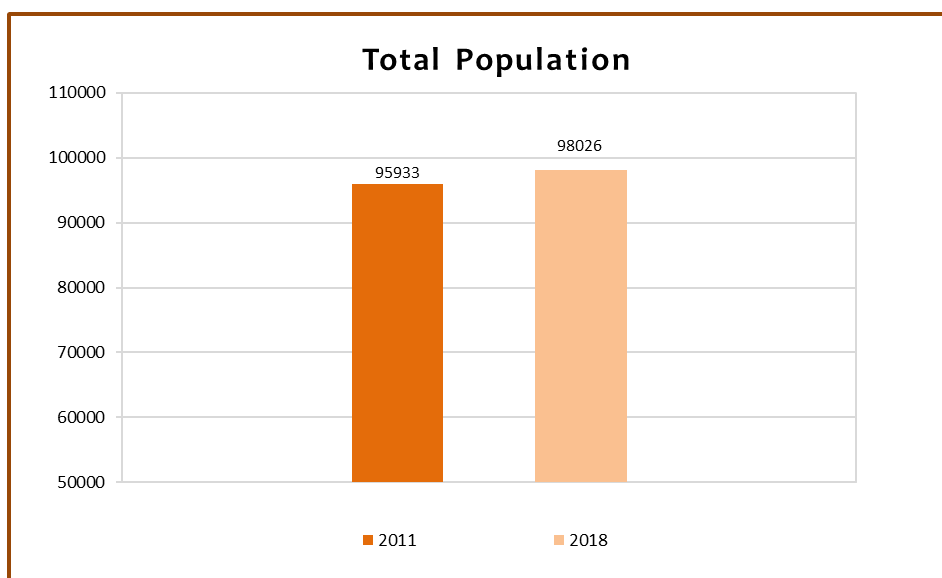
The table below indicates a summary of the demographic profile within the municipal area:

Oudtshoorn Municipal Area		
Indicator		2011
		2018
Population		95 933
Households		21 910
People per Household		4.4
Sex Ratio		91.8
Gender Breakdown	Males	45 913 (47.9%)
	Females	50 021 (52.1%)
Age Breakdown	0 - 14	28.7%
	15 - 64	64.2%
	65+	7.2%
Source: Community Survey 2016 / 2019/20 IDP		

Table 1: Demographic Profile

Total Population

According to the Department of Social Development's 2018 projections, Oudtshoorn Municipality currently has a population of 98 026, rendering it the second largest municipal area by population within the Garden Route District. This total is estimated to increase to 113 114 by 2024 which equates to 2.4 per cent average annual growth over this period. The population growth within the Oudtshoorn municipal area for the 2018 to 2024 period is higher than the Garden Route District's rate of 1.9 per cent during the same period.



Graph 1.: Total Population

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Gender Distribution

The table below indicates the gender distribution within the municipal area:

Gender	2011	2016
Males	45 913 (47.9%)	47 720 (48.7%)
Females	50 021 (52.1%)	50 261 (51.3%)
Source: Community Survey 2016 /The Local Government Handbook – www.municipalities.co.za		

Table 2: Demographic Information of the Municipal Area – Gender Distribution

Population Groups

The table below indicates the population groups within the municipal area according to the 2011 Census:

Group	2011			2011		
	Male	Female	Total	Male	Female	Total
Coloured	30 901	33 902	64 803	35 233	38 969	74 202
Black African	3 452	3 390	6 842	4 424	4 316	8 740
White	6 232	6 733	12 965	5 620	6 363	11 983
Indian or Asian	48	34	82	189	127	316
Source: Census 2011						

Table 3: Demographic Information of the Municipal Area

1.3.2 Demographic Information

Municipal Geographical Information

Oudtshoorn Local Municipality lies within the boundaries of the Eden District Municipality in the Western Cape Province. Since 5 December 2000, the Oudtshoorn municipal area has included the larger settlements of Oudtshoorn, Dysselsdorp, and De Rust as well as the smaller rural settlements of Volmoed, Schoemanshoek, Spieskamp, Vlakeplaas, Grootkraal, De Hoop and Matjiesrivier.

Oudtshoorn is situated about 60km from George, 82km from Mossel Bay, 460km from Cape Town and 384km from Port Elizabeth. High quality roads link Oudtshoorn with George in the south, Beaufort-West in the north and the rest of the Klein Karoo to the east and west.

The Greater Oudtshoorn area is nestled at the foot of the Swartberg Mountains in the heart of the Little Karoo region in the Western Cape. It is defined as a semi-desert area with a unique and sensitive natural environment. It was once the indigenous home of the Khoisan people, therefore there are many rock paintings in the area. The municipality's development potential recognises the impact of being home to the world's largest ostrich population, which is a key component of their agricultural industry. The discovery of the Cango Caves and continual allure of unique natural heritage has drawn people to this region.

Oudtshoorn serves as a regional centre for the surrounding agricultural area. The natural environment of the area creates a natural hospitality towards the tourism industry and a related boom in accommodation. Oudtshoorn is a centre of regional cultural, sport and art activities and has since 1994, been host to the famous "Klein Karoo Nasionale Kuns tefees" (KKNK), an arts

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festival held in March/April every year. A total of 411 temporary job opportunities were created directly by the KKNK, of which 76% were filled by black employees. The total economic impact of the KKNK is estimated at about R110 million, which makes the festival a major contributor to the economy in Oudtshoorn. A joint strategy was developed through the Greater Oudtshoorn Vision 2030 process to ensure both the broader benefaction of local communities and the sustainability of the festival.

Oudtshoorn's relatively higher 'development potential' is directly linked to its geographic location on main transport routes, natural resource base, human resources, institutional centre function, and commercial services. Recent studies of Oudtshoorn's growth potential identified it as one of 14 important 'leader towns' in the Western Cape Province.

Wards

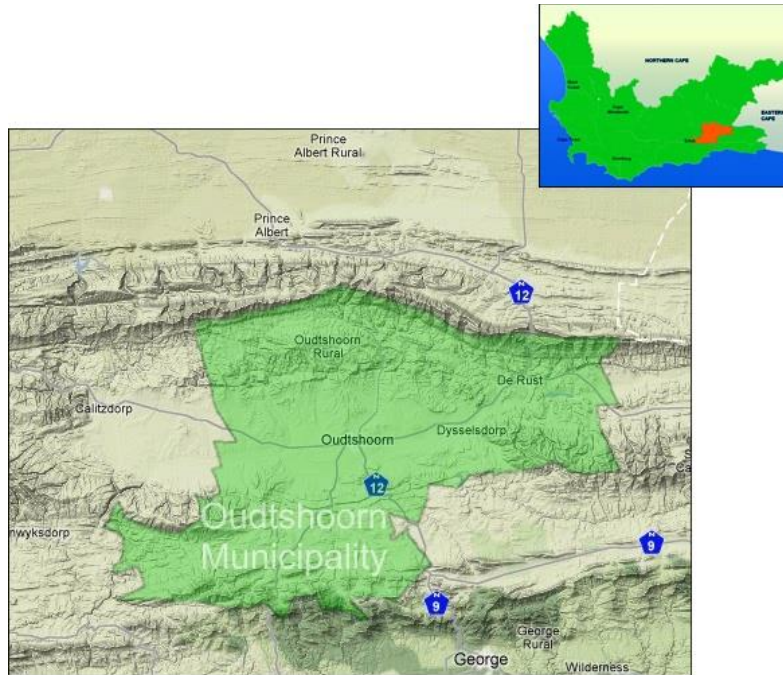
The Municipality is currently structured into the following 13 wards:

Ward	Areas
1	West side of town: SANDF, Oudtshoorn Hospital, Zeelandsnek, Palm village
2	Part of town and rural areas: Volmoed, Kliplokasie, Eiland, De Jager Sport Complex
3	North, east and south of Town
4	Part of Bridgton, Bongoletu, Thabo Mbeki's Square, Toekomrus
5	Part of Bridgton, Smartie Town
6	Part of Bridgton, part of Toekomrus, Rosebank & Rosevalley Phase 1, 2 & 3
7	Part of town (north), Bridgton
8	Bhongoletu, part of Toekomrus, Zone 14, GG Camp, Canal, Black Joint, Vaalhuise, Newlook, Beverly Hills
9	Dysselsdorp (east of Dyssels Road) and surrounding areas
10	Dysselsdorp (west of Dyssels Road) and surrounding areas
11	Vlakteplaas, De Rust, Schoemanshoek, Spieskamp & Matjiesrivier
12	Neppon, Station area, Klipdrif, Zebra, Proefplaas, Rooiheuvel

Table 4: *Municipal Wards*

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Below maps of the Municipal area:



Graph 2.: Locality Map

Towns

Oudtshoorn

Ostriches are found in great numbers and the region produces the best feathers, leather products and ostrich meat in the world. But the biggest bird is just one of the many attractions in this area of exceptional contrasts and natural beauty. It is also home to the spectacular Cango Caves, Africa's largest show cave system and is in the vicinity of an ecological hotspot where three distinct biomes (succulent Karoo, cape thicket and fynbos) converge.

Dysseisdorp

About 30 km from Oudtshoorn, at the foot of the Kamanassie Mountains, lays Dysseisdorp, a hamlet predominantly owned and inhabited by descendants of erstwhile slaves and people of mixed heritage. Founded in 1838 as a mission station by the London Missionary Society, and in 1877 its approximately one and a half thousand hectares were granted in freehold to the 148 resident families by the then Commissioner of Crown Land, John X Merriman. Residential as well as garden plots were allotted and the town was practically self-sufficient in those days. By and by, however as in most contained small agricultural communities, poverty became a factor and today most of the young people hold jobs in Oudtshoorn or work as seasonal labour on neighbouring farms. Dysseisdorp also boasts a Kolping House, one of a worldwide chain of guest houses where men are taught a trade.

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De Rust

De Rust is a small village at the gateway to the Little Karoo and is located at the foot of the Swartberg Mountain range between Oudtshoorn and Beaufort West. De Rust is also known for the meandering Meiringspoort Pass. Meiringspoort is a gateway that connects the Little Karoo and the Great Karoo through a gorge with a 25km road crossing the same river 25 times in the span of the 25km. This area is also well-known for ostrich farming and most of the farmers in the area either farm exclusively with ostriches or as a side-line to their existing farming.

Key Economic Activities

The following key economic activities were identified in the LED strategy:

Key Economic Activities	Description
Community, social and personal services	<p>The Oudtshoorn municipal area is in the heart of the Little Karoo and internationally renowned for its ostrich industry. Most of the population in this municipal area reside in the town of Oudtshoorn, making it the main service centre.</p> <p>The main sources of GDP in the Oudtshoorn municipal area are finance, insurance, real estate and business services, which was valued at R1.1 billion in 2017, and manufacturing, which was valued at R1.0 billion. Another important contributor to the municipal area's economy is the wholesale and retail trade, catering and accommodation sector, which contributed R931.3 million to the economy in 2017.</p> <p>The two main sources of employment in the region are the wholesale and retail trade, catering and accommodation, and community, social and personal services sectors, which contributed 22.2 per cent and 15.8 per cent to total employment in the region in 2017.</p> <p>Oudtshoorn is the centre of regional culture, sports and art cultures (including the famous KKNK festival, which has been hosted since 1994). Within municipal boundaries is the world famous Cango Caves which attracts tourists from all over the world. It also benefits from the proximity to the George coastal area which is one of the main economic and tourism hubs in the district.</p>
Tertiary Sector	The tertiary sector accounts for approximately 64.9 per cent of GDP in the region. The secondary sector valued at R1.6 billion in 2017, is also a significant contributor to the municipal area's economy. The smallest contributor to the region's economy is the primary sector, which contributes only 6.3 per cent to total GDP.
Manufacturing	This sector is key to addressing unemployment in the Oudtshoorn area. The manufacturing sector in the Municipality has expanded strongly and created jobs on a net basis.
Agriculture	The agriculture of the district is based mainly around the ostrich farming. As an alternative to the ostrich farming, the seed and goat farming has recently expanded substantially in the area.

Table 5: Key Economic Activities

Natural Resources	
Major natural resource	Relevance to community
The Cango Caves	Major tourist attraction. Can add value through job creation initiatives
The succulent Karoo	Area unique with natural vegetation. Marketing of area can create job opportunities
Our water resources	Can create job opportunities in the agriculture sector
Our environment	Renewable energy can be created through sun energy project creating job opportunities

Table 6: Natural Resources

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1.4 Service Delivery Overview

1.4.1 Basic Service Delivery Performance Highlights

The table below indicates the basic service delivery performance highlights for the year:

Highlights	Description
Linking Blomnek Reservoir with the Klein Karoo Rural Water Supply Scheme (KKRWSS)	Due to the low waterflow in summer from the Huis River, a link was created from KKRWSS to the Blomnek Reservoir to provide additional water. This has played a major role in securing water supply to Blomnek during summer, which was problematic in the past
Refurbishment of Dysselsdorp WWTW	This plant was not functioning as a result of dilapidated equipment. The plant was recently refurbished and is now producing effluent that is according to standard. The treated effluent is now pumped to the Dysselsdorp sport fields for irrigation
Dysselsdorp Bulk Infrastructure	The Bulk Infrastructure Project to increase the power supply to Dysselsdorp has been completed in order to accommodate future housing development
Maintenance and Asset Management Plan	Implementation of a fully-fledged Asset and Maintenance Management Plan
Fleet management	Replacement of old redundant vehicles with new well-equipped light duty vehicles (LDV's)
New vehicles procured	A new compactor and a tipper truck have been procured
Revision of cleansing plan	A revised open space cleansing plan (including Dysselsdorp and De Rust) was submitted to Council for approval
Klein Karoo Nasionale Kunstefees (KKNK) 2019 Recycling Project	During the KKNK 2019 a recycling project was done in partnership with Cango Wildlife and KKNK
Govan Mbeki Award	The Municipality won the National Government Govan Mbeki Award in November 2018
Housing consumer education	318 Beneficiaries of new housing opportunities have engaged in consumer education which discusses responsibilities and caring for properties by new homeowners
Possible development of serviced sites Dysselsdorp	A project initiation document has been prepared for a possible development of a further 2 500 serviced sites in Dysselsdorp

Table 7: Basic Service Delivery Highlights

1.4.2 Basic Service Delivery Challenges

The table below indicates the basic service delivery challenges for the year:

Description	Actions to address
Drought	Oudtshoorn is experiencing the worst drought in many years and the water supply is under constant pressure. To alleviate the pressure, a project is currently being undertaken to supply emergency water from the Blossoms wellfield
Water: Ageing infrastructure	Sections of the water supply network is ageing and a programme has been launched to systematically replace pipes over an extended period
Sanitation: Ageing infrastructure	The sewer network is ageing and a programme has been launched to systematically replace pipes over an extended period

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Description	Actions to address
Slow procurement procedures	Procure service providers on a multi-annual basis
Lack of skilled personnel	Capacitate existing personnel and developing special skills by conducting training talks and demonstrations
Illegal dumping on open spaces	Awareness champions must be launched to create awareness on the negative impact of illegal dumping
Limited staff	Vacant positions should be filled and budgetary provision should be made for the appointment of additional staff
Lack of skips on open spaces	Budgetary provision must be made to procure additional skips

Table 8: Basic Service Delivery Challenges

1.4.3 Number of Households with Access to Basic Services

The table below indicates the number of households with access to basic services:

Description	2017/18	2018/19
Electricity service connections	24 391	17 369
Water - Piped water inside dwelling	16 357	15 605
Sanitation - Households with at least VIP service	17 405	16 378
Waste collection - kerbside collection once a week	41 182	41 501

Table 9: Households with Access to Basic Services

1.5 Financial Health Overview

1.5.1 Financial Challenges

Cash flow remains a challenge for the Municipality. A Long-Term Financial Plan that will decrease outstanding creditors and improve the cash flow, has been compiled.

1.5.2 National Key Performance Indicators – Municipal Financial Viability and Management (Ratios)

The following table indicates the Municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the Municipal Systems Act (MSA). These key performance indicators are linked to the National Key Performance Area (KPA) namely Municipal Financial Viability and Management.

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Description	KPA & Indicator	2017/18	2018/19
Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2019 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant))	% of debt coverage	11.77%	8.89%
Financial viability measured in terms of the outstanding service debtors as at 30 June 2019 ((Total outstanding service debtors/ revenue received for services) x 100)	% of outstanding service debtors (total outstanding debtors refers to total net debtors)	12%	11.75%
Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2019 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Number of months it takes to cover fix operating expenditure with available cash	1.4	1.8

Table 10: National KPI's for Financial Viability and Management

1.5.3 Financial Overview

Details	2017/18	2018/19		
		Original budget	Adjustment Budget	Actual
	R'ooo			
Income				
Grants	167 049	159 460	204 333	171 624
Taxes, Levies and Tariffs	408 449	444 639	426 603	423 040
Other	55 733	56 904	48 993	77 722
Sub Total	631 231	661 003	679 929	674 387
Less Expenditure	580 397	655 203	674 586	626 260
Reversal of impairment loss on Receivables	8 180	0	0	4 393
Gains/(loss) on Sale of Fixed Assets	(72)	0	0	(863)
Net surplus/(deficit)	58 942	4 581	5 343	51 657

Table 11: Financial Overview

1.5.5 Total Capital Expenditure

Detail	2017/18	2018/19
	R'ooo	
Original Budget	37 236	58 732
Adjustment Budget	67 705	86 181
Actual	58 361	54 035

Table 12: Total Capital Expenditure

1.6 Organisational Development Overview

1.6.1 Municipal Transformation and Organisational Development Highlights

The table below indicates the municipal transformation and organisational development highlights for the year:

Highlights	Description
Strategic service delivery session between Senior Management and Executive Mayoral Committee	A strategic service delivery session was conducted in the beginning of January 2019 that addressed all service delivery related issues
Establishment of Customer Care Centre	Council introduced the Customer Care Centre to facilitate and resolve service delivery challenges. The service is currently running during the day, but we are working to implement a 24-hour service
Bi-monthly Portfolio Committee Meetings	The introduction of the bi-monthly Portfolio Committee meeting system is scheduled for August 2019 and will contribute to a platform where councillors and officials thoroughly interrogate monthly reports per directorate
Implementation of a Paperless System/Go Green	The Municipality is in an advance stage to implement the Paperless System/Go Green. The launch of the system is scheduled for Monday, 02 September 2019. Councillors will receive agendas electronically from the said date
Management of Council resolutions	Council resolutions will from now on be distributed via the Decision Management App on Collaborator. This will ensure the quick implementation and reports to Council
Approval of Council related policies/ plans	The approval of Council related policies/ plans contributed that the administration is managed not only by legislation but also through approved Council related policies/ plans
Employee wellness services	<ul style="list-style-type: none"> • Raised the bar on visibility for constructive and accessible employee wellness services, (i.e. counselling, debriefing, bereavement, referrals etc.) for our fellow colleagues to enhance productivity • Oversee the roles and responsibilities of the Employee Wellness Committee, via training and regular meetings. <p>Liaise effectively with internal & external role-players, for interaction, referrals and specialist services and the success during employee wellness events</p>
Commitment	The level of commitment from most officials through attendance training courses and completion of proof of evidence (PEO's)
Newly approved Recruitment and Selection Policy	Council approved an all-encompassing Recruitment and Selection Policy for permanent, temporary, students and interns
Approved Employment Equity (EE) Plan	EE goals are now being determined per occupational categories

Table 13: Municipal Transformation and Organisational Development Highlights

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1.6.2 Municipal Transformation and Organisational Development Challenges

The table below indicates the municipal transformation and organisational development challenges for the year:

Challenge	Actions to address
Ward Committees	The Ward Committee Policy was approved on 29 June 2018. Ward Committee meetings are held on a bi-monthly basis and is functioning per the approved meeting schedule. Ward feedback meetings and vacancies on ward committees are a challenge and need to be addressed. The non-availability of community members to serve on the ward committees' structures in some wards contribute to this situation. These challenges can be addressed with regular feedback on ward committee issues from departments. The possible increase in the stipend of ward committees might address the vacancy issue
Public Participation Unit	The Public Participation Policy was approved on 29 June 2018. The little or non-funds available to roll-out effective public participation programs/activities together with shortage of personnel which will only be addressed after the organisational re-design work-study, are some of the challenges experienced with the said unit
Budget constraints	To measure the impact of the program it is important to have a proper process or method to determine the return on investment for Oudtshoorn Municipality. Such programs are costly
Lack of proper communication	<ul style="list-style-type: none"> The entire staff have to embrace the wellness/EAP program, and urge for the buy-in of all supervisors Minimize all forms of stigmatization through continuous and effective awareness campaigns. Streamline HR activities for better cooperation, give stature to the HR Strategy and make bigger impact on HR of Oudtshoorn Municipality at large <p>Raise the bar on employee wellness services</p>
Communication	Communication between line managers and employees that does not have access to emails or telephones are very poor, thus we need to address ways to encourage them to improve communication to lower level employees or find other ways to do it ourselves

Table 14: Municipal Transformation and Organisational Development Challenges

1.7 Auditor-General Report

1.7.1 Audited Outcomes

Year	2016/17	2017/18	2018/19
Opinion received	Qualified Audit Opinion	Qualified Audit Opinion	Unqualified Audit Opinion

Table 15: Audit Outcomes

CHAPTER 2

The Western Cape Provincial Executive initially intervened in the Oudtshoorn Municipality in terms of Section 139(1)(b) of the Constitution for a period of six months from 31 July 2015 to 30 January 2016. The intervention was necessitated by the consistent failures of the Municipal Council over a prolonged period of time to fulfil its executive obligations. At the commencement of the intervention, Council retained its executive and legislative authority and the Administrator could only take decisions on behalf of Council should it not be able to do so. The aforesaid arrangements did not yield the desired results due to continued political struggles for control which defeated the purpose of the intervention. The terms of the intervention were then amended by vesting all executive authority in the Administrator as from September 2015 for the remainder of the intervention. Council retained its legislative authority throughout. The period of the intervention was later extended until the new Municipal Council is declared elected subsequent to the local government elections on 3 August 2016. Additional to the Section 139(1)(b) intervention, the National Minister of Cooperative Governance and Traditional Affairs and the Provincial Minister responsible for Local Government, offered the Municipality a support package in terms of Section 154 of the Constitution. Council on 17 July 2015 accepted the Provincial intervention, as well as the support and good governance package offered by both the Provincial and the National Minister.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 National Key Performance Indicators - Good Governance and Public Participation

The following table indicates the Municipality's performance in terms of the National Key Performance Indicator required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 796 of 2001 and Section 43 of the MSA. This key performance indicator is linked to the National Key Performance Area - Good Governance and Public Participation.

KPA & Indicators	Municipal Achievement	Municipal Achievement
	2017/18	2018/19
The percentage of the municipal capital budget spent on capital projects as at 30 June 2019 {(Actual amount spent on capital projects /Total amount budgeted for capital projects)X100}	84%	59.89%

Table 16: National KPIs - Good Governance and Public Participation Performance

2.2 Governance Structure

2.2.1 Political Governance Structure

The Council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles and have delegated their executive function to the Executive Mayor and the Mayoral Committee. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers, Councillors are also actively involved in community work and the various social programmes in the municipal area.

Council

Below is a table that categorise the councillors within their specific political parties and wards:

Council Members	Capacity	Political Party	Ward representing or proportional
J Le Roux Krowitz	Speaker	Democratic Alliance	Ward 1
C Sylvester	Executive Mayor	Democratic Alliance	Proportional
N Mwati	Executive Deputy Mayor & Portfolio Chairperson: Human Settlements	Democratic Alliance	Proportional
G Kersop	Chairperson: Financial Services	Democratic Alliance	Ward 2
D Fourie	Chairperson: Technical Services	Democratic Alliance	Ward 3
E Fortuin	Chairperson: Corporate Services	Democratic Alliance	Ward 4
H Ruiters	Chairperson: Community Services	Democratic Alliance	Ward 5
J Lambaatjeen	Councillor	Democratic Alliance	Ward 6
L Wagenaar	Councillor	Democratic Alliance	Ward 7
L Stone	Councillor	African National Congress	Ward 8
H Botha	Councillor	Democratic Alliance	Ward 9
N Soman	Chairperson: Strategic Services	Democratic Alliance	Ward 10
R Wildschut	Councillor	Democratic Alliance	Ward 11
H Human	Councillor	Democratic Alliance	Ward 12
M Theyse	Councillor	Democratic Alliance	Ward 13
M Titus	Councillor	African National Congress	Proportional
N Magopeni	Councillor	African National Congress	Proportional
H Tyatya	Councillor	African National Congress	Proportional
J Floors	Councillor	African National Congress	Proportional
C Cobus	Councillor	African National Congress	Proportional
K Windvogel	Councillor	African National Congress	Proportional
D Maarman	Councillor	Economic Freedom Fighters	Proportional
V Donson	Councillor	Independent Civic Organization of South Africa	Proportional

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Council Members	Capacity	Political Party	Ward representing or proportional
B Owen	Councillor	Independent Civic Organization of South Africa	Proportional
G Juthe	Councillor	South African Religious Civic Organization	Proportional

Table 17: Council

Below is a table which indicates the Council meeting attendance for the 2018/19 financial year:

Meeting dates	Meeting	Council Meetings Attendance	Apologies for non-attendance
31 July 2018	Special Council	20	5
6 August 2018	Special Council	20	3
8 August 2018	Special Council	20	3
22 August 2018	Special Council	21	3
30 August 2018	Special Council	20	4
7 September 2018	Special Council	21	4
8 October 2018	Ordinary Council	23	2
23 October 2018	Ordinary Council	22	2
2 November 2018	Special Council	22	2
30 November 2018	Ordinary Council	19	4
6 December 2018	Ordinary Council	21	3
14 January 2019	Special Council	17	5
25 January 2019	Special Council	22	3
30 January 2019	Special Council	17	5
28 February 2019	Special Council	23	1
27 May 2019	Special Council	24	1
10 June 2019	Special Council	23	2
20 June 2019	Special Council	25	0
28 June 2019	Ordinary Council	22	3

Table 18: Council Meetings

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Executive Mayoral Committee

The Executive Mayor of the Municipality, Cllr CF Sylvester, assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the center of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, and as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee.

The table below indicates the members of the Mayoral Committee and their capacity:

Name of Member	Capacity
C Sylvester	Executive Mayor
N Mwati	Executive Deputy Mayor & Portfolio Chairperson: Human Settlements
G Kersop	Chairperson: Financial Services
D Fourie	Chairperson: Technical Services
E Fortuin	Chairperson: Corporate Services
H Ruiters	Chairperson: Community Services
N Soman	Chairperson: Strategic Services

Table 19: Mayoral Committee Members

2.2.2 Administrative Governance Structure

The table below indicates the administrative governance structure for the period under review:

Name of Official	Position
A Paulse	Municipal Manager
F Lötter	Director: Financial Services
R Smit	Director: Corporate Services
T Matthee	Director: Community Services
Vacant	Director: Strategic Services
C Koch	Director: Technical Services
S Sims (appointed 2 June 2018)	Acting Director: Human Settlements

Table 20: Administrative Governance Structure

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 Intergovernmental Relations

In terms of the Constitution of South Africa, all spheres of government and all organs of state within each sphere must co-operate with one another in mutual trust and good faith fostering friendly relations. They must assist and support one another, inform and consult one another on matters of common interest; coordinate their actions, adhere to agreed procedures and avoid legal proceedings against one another.

2.3.1 Intergovernmental Structures

To adhere to the principles of the Constitution as mentioned above the Municipality participates in the following intergovernmental structures:

Name of Structure	Members	Outcomes of Engagements/Topics Discussed
National Structures		
Municipal Managers Forum	SALGA, Municipal Managers	Management and best practice on municipal structures & systems
SALGA Working Groups	SALGA, Mayors, Councillors, Directors, Officials	Working groups on economic, community services, financial services, basic infrastructure
Provincial Structures		
MINMAY	Ministers, Mayors, Premier, MM's	Best practice, strategic focus areas
MINMAY-TECH	MM's, Head of Departments, Officials	Discuss technical aspects on service delivery
PCF	MM's, Head of Departments, Officials	Discuss technical aspects on service delivery
Provincial CFO Forum	CFO's of all municipalities, Provincial Treasury	Financial aspects & budget coordination
Provincial MM Forum	SALGA, Municipal Managers	Management and best practice on municipal structures & systems
Provincial Communication Forum	Municipal communication officials, provincial officials and public participation officials	Discuss communication, ward committee and public participation
District Structures		
Garden Route District IDP Forum	IDP Managers of municipalities, District Officials and Provincial Departments	<ul style="list-style-type: none"> • Support to IDP alignment processes. • Best Practice for public engagement. • Support to sector departments engagements • Support to IDP representative forum meetings • Support for legal compliance • Hands on support on Section 26 of MSA. • Support for IDP planning processes
LED District Forum	LED Managers, Provincial Dept. Economic Development, WESGRO	Economic development and investment opportunities

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Name of Structure	Members	Outcomes of Engagements/Topics Discussed
District Infrastructure Forum	Managers Infrastructure, Technical Officials	Roads, water, electricity, basic infrastructure, sanitation etc.
District Disaster Management Forum	Managers responsible for disaster management, fire services	Disaster Management, Fire Services
Provincial IDP Managers Forum	Managers responsible for IDP in local municipalities and District	<ul style="list-style-type: none"> To prepare Municipalities for the next five-year term of office To serve as a platform for sharing good planning practices To provide support to municipalities in ensuring legally compliant IDP's To provide relevant information in terms of planning and drafting of IDP's

Table 21: *Intergovernmental Structures*

2.3.2 Joint Projects and Functions with Sector Departments

All the functions of government are divided between the different spheres namely national, provincial and local. The Municipality therefore share their area and community with other spheres of government and their various sector departments and should work closely with national and provincial departments to ensure the effective implementation of various projects and functions. The table below provides detail of such projects and functions:

Name of Project/ Function	Expected Outcome/s of the Project	Sector Department/s Involved	Contribution of Sector Department
CRDP – Comprehensive Rural Development Programme	Reduce poverty and grow rural areas into vibrant economic areas	National Department Rural Development, Provincial Department Agriculture, All Provincial Sector Departments, Eden District, ODN Municipality	Established steering committee with municipality and other provincial sector departments Development of strategy and implementation programme Implement programmes related to each department
Financial Recovery Programme	Following the municipality's administration process financial recovery programme developed	National Treasury, Provincial Treasury, Municipality	Development of strategy and implementation programme Implement the financial recovery initiatives
District Joint Planning Initiative	Possible interventions to address early school dropouts	Education, Social Development, Cultural Affairs and Sport and Local Municipalities	Guiding Framework that will include interventions from all stakeholders

Table 22: *Joint Projects and Functions with Sector Departments*

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 16 of the Municipal Systems Act (MSA) refers specifically to the development of a culture of community participation within municipalities. It states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose, it must encourage and create conditions for the local community to participate in the affairs of the community. Such participation is required in terms of:

- the preparation, implementation and review of the IDP;
- establishment, implementation and review of the performance management system;
- monitoring and review of the performance, including the outcomes and impact of such performance; and
- preparation of the municipal budget.

2.4 Public Meetings

The table below indicates the public meetings that were conducted during the year:

Ward	Ward	Number of Participating Municipal Councillors	Number of Community members attending
Mayoral Imbizo's			
1, 2, 3, 7	Western part of town, SANDF, AIFA, Zeelandsnek, Police College etc, north, south and east side of town, east and middle of the town and south part of Bridgton, eastern part of town	10 September 2018	8
4	Bridgton, Bongoletu	11 September 2018	49
5	Bridgton	12 September 2018	70
6	Bridgton, Toekomrus	13 September 2018	81
7	Bridgton, Town	17 September 2018	20
8	Bhongoletu, Part of Toekomrus	18 September 2018	132
9	Dysselsdorp western part including surrounding areas	19 September 2018	167
10	Dysselsdorp eastern part	20 September 2018	262
11	Spieskamp, Vlake Plaas	1 October 2018	14
2	Volmoed, Welbedacht, Lategansvlei, Nooitgedacht, De Hoop	2 October 2018	57
11	Blomnek, De Rust & surrounding areas	3 October 2018	
13	Bridgton	4 October 2018	104
12	Neppon, Rooiheuvel, Station, Klipdrift, Zebra, Zeekoegat	9 October 2018	
1, 2, 3, 7	Western part of town, SANDF, AIFA, Zeelandsnek, Police College etc, north, south and east side of town, east and middle of the town and south part of Bridgton, eastern part of town	3 June 2019	35
4, 8	Bridgton, Bongoletu / Toekomrus	4 June 2019	65
5, 7, 13	Bridgton/Town	5 June 2019	42
6	Bridgton, Toekomrus	6 June 2019	20
9, 10	Dysselsdorp western part including surrounding areas and eastern part	10 June 2019	82
11	Spieskamp, Vlake Plaas	11 June 2019	

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Ward	Ward	Number of Participating Municipal Councillors	Number of Community members attending
Mayoral Imbizo's			
11, 12	Spieskamp, Vlake Plaas / Neppon, Rooiheuvel, Station, Klipdrift, Zebra, Zeekoegat	12 June 2019	32
2	Volmoed, Welbedacht, Lategansvlei, Nooitgedacht, De Hoop	13 June 2019	57

Table 23: *Public Meetings*

2.4.1 Representative Forums

Labour Forum

The table below specifies the members of the Labour Forum for the 2018/19 financial year:

Name of representative	Capacity
E Fortuin	Chairperson: Corporate Services
H Ruiters	Chairperson: Community Services
G Kersop	Chairperson: Financial Services
D Fourie	Chairperson: Technical Services
N Soman	Chairperson: Strategic Services
A Paulse	Municipal Manager
R Smit	Director: Corporate Services
F Lötter	Chief Financial Officer
T Matthee	Director: Community Services
A Koch	Director: Technical Services
3 Representatives	SAMWU
7 Representatives	IMATU
W Nojoko	HR Manager: Administration
R Claassen	HR Manager: Transformation & Development
C Williams	Senior Officer: Labour Relations

Table 24: *Labour Forum*

2.4.2 Ward Committees

Ward Committee meetings are held in all 13 wards of the Municipality with the specific intention to capture sectoral and geographical area-based needs and opinions. These meetings inform and report on public needs, planning and budgeting as well as strategic objectives.

Ward councillors with their ward committees conduct public meetings twice a year to discuss ward plans and service delivery shortcomings and report on the success /failure of intended projects. Attendance of such meetings by the public are determined by their personal needs at the time of the meeting.

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Municipal officials from all departments are allocated to attend public meetings to ensure attention to matters arising.

Transport is provided, where necessary, to ward committee members to attend ward committee meetings and functions where public participation through the ward committee system is required. The venues have been established for the meetings and support personnel have been put at their disposal.

A stipend of R350 per meeting has been approved for all ward committee members, provided that they attend at least one ward committee meeting per month as part of their participatory functions as ward committee members.

Ward 1: West side of town: SANDF, Oudtshoorn Hospital, Zeelandsnek, Palm village

Name of representative	Capacity representing	Dates of meetings held during the year
B Joubert	Geographical Area	3 July 2018 3 September 2018 5 November 2018 16 January 2019 4 March 2019 6 May 2019
C Van Huyssteen	Business	
F Labuschagne	Geographical Area	

Table 25: Ward 1 Committee Meetings

Ward 2: Part of town and rural areas: Volmoed, Kliplokasie, Eiland, De Jager Sport Complex

Name of representative	Capacity representing	Dates of meetings held during the year
D Johannes	Sport and Youth	4 July 2018 4 September 2018 6 November 2018 17 January 2019 5 March 2019 7 May 2019
A Piedt	Agriculture and Environmental Affairs	
J Swart	Education, Social Development and Disability	
H Marais	Business	
E Booysen	Health	
S Adams	Arts and Culture	
G Wagner	Social Development and Disability	
B Langhtrey	Geographical Area	
E Langhtrey	Geographical Area	
L Booysen	Geographical Area	

Table 26: Ward 2 Committee Meetings

Ward 3: North, east and south of Town

Name of representative	Capacity representing	Dates of meetings held during the year
A De Jager	Education and Youth	5 July 2018 5 September 2018 7 November 2018 21 January 2019 6 March 2019 8 May 2019
J Erasmus	Welfare	
JH Davel	Business	
JA Stokes	Environment	
J Zana	Health	
ME Roos	Rural development	

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Name of representative	Capacity representing	Dates of meetings held during the year
W Fouche	Sport Development	
O Karsten	Education and Youth	
G Deelman	Geographical Area	
S Jansen	Geographical Area	

Table 27: Ward 3 Committee Meetings

Ward 4: Part of Bridgton, Bongoletu, Thabo Mbeki's Square, Toekomsrus

Name of representative	Capacity representing	Dates of meetings held during the year
F Isaac	Business	9 July 2018 6 September 2018 8 November 2018 22 January 2019 7 March 2019 9 May 2019
D Lucas	Welfare	
F September	Infrastructure	
H Barends	Arts, craft and Community Development	
S Ntsikelelo Maxim	Traditional Men's group (Indlu Yengwevu)	
F Rooiland	Geographical Area	
S Marthinus	Geographical Area	
N Louw	Geographical Area	
C Arendse	Backyard Dwellers	
Ms Zanele	Geographical Area	

Table 28: Ward 4 Committee Meetings

Ward 5: Part of Bridgton, Smartie Town

Name of representative	Capacity representing	Dates of meetings held during the year
J Jansen	Business	10 July 2018 10 September 2018 12 November 2018 23 January 2019 11 March 2019 13 May 2019
R Jansen	Youth	
M Stalmeester	SADF	
M Coerecius	Churches	
K Loggenberg	Health	
J Pritchard	Housing	
L Micheals	Education	
B Prins	Police Forum	
T Fillies	Religious	
S Delport	Backyard Dwellers	

Table 29: Ward 5 Committee Meetings

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Ward 6: Part of Bridgton, part of Toekomrus, Rosebank & Rosevalley Phase 1, 2 & 3

Name of representative	Capacity representing	Dates of meetings held during the year
L Prins	Welfare	11 July 2018 11 September 2018 13 November 2018 24 January 2019 12 March 2019 14 May 2019
A Sederstroom	Environment	
P Stuurman	Religion	
J Weyers	Health	
M Moses	Youth	
S Jacobs	Education	
A Hess	Geographical Area	
M Malgas	Geographical Area	
D Wagenaar	Backyard Dwellers	

Table 30: Ward 6 Committee Meetings

Ward 7: Part of town (north), Bridgton

Name of representative	Capacity representing	Dates of meetings held during the year
R Cooper	Environmental and Social Development	12 July 2018 12 September 2018 14 November 2018 28 January 2019 13 March 2019 15 May 2019
J Coetzee	Community Development	
D Ruiters	Environmental, Agriculture and Social Development	
J Patrick	Tourism	
F Schroeder	Business	

Table 31: Ward 7 Committee Meetings

Ward 8: Bhongoletu, part of Toekomrus, Zone 14, GG Camp, Canal, Black Joint, Vaalhuise, Newlook, Beverly Hills

Name of representative	Capacity representing	Dates of meetings held during the year
G van Wyk	Informal Settlements	16 July 2018 13 September 2018 15 November 2018 29 January 2019 14 March 2019 16 May 2019
T Ngqumte	Informal Settlements	
X Ngalo	Youth	
V Misani	Geographical Area	
L Dani	Business Sector	
L Barends	Religious Groups	
K Lewendaal	Block 7	
F Gutas	Education Sector	
S Collins	Geographical Area	
F Bergh	Geographical Area	

Table 32: Ward 8 Committee Meetings

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Ward 9: Dysselsdorp (east of Dyssels Road) and surrounding areas

Name of representative	Capacity representing	Dates of meetings held during the year
N Ewerts	Electricity / Water	17 July 2018 17 September 2018 19 November 2018 30 January 2019 18 March 2019 20 May 2019
U Oktober	Sport	
J Prinsloo	Business	
J Moos	Community Development	
C Stefanus	Rural Development	
E De Villiers	EPWP / CWP	
S Rabie	Social Development	
R Lewis	Geographical Area	
B Matthews	Geographical Area	
M Samson	Geographical Area	

Table 33: Ward 9 Committee Meetings

Ward 10: Dysselsdorp (west of Dyssels Road) and surrounding areas

Name of representative	Capacity representing	Dates of meetings held during the year
E Pienaar	Geographical Area	18 July 2018 18 September 2018 20 November 2018 31 January 2019 19 March 2019 21 May 2019
H Korkee	Community Development	
D Jansen	Infrastructure	
G Lewis	Social Development	
E Kock	Community Development	
L Kapiera	Geographical Area	
R Lewis	Geographical Area	
I Titus	Geographical Area	
M Booysen	Geographical Area	
H Esau	Geographical Area	

Table 34: Ward 10 Committee Meetings

Ward 11: Vlakteplaas, De Rust, Schoemanshoek, Spieskamp & Matjiesrivier

Name of representative	Capacity representing	Dates of meetings held during the year
A Januarie	Agriculture	19 July 2018 19 September 2018 21 November 2018 4 February 2019 20 March 2019 22 May 2019
A Maart	Agriculture	
H Fortuin	Agriculture	
S Campbell	Youth	
J Africa	CWP	
A Mienie	Agriculture	
A Tiemie	Youth	
R September	Churches	

Table 35: Ward 11 Committee Meetings

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Ward 12: Neppon, Station area, Klipdrif, Zebra, Proefplaas, Rooiheuwel

Name of representative	Capacity representing	Dates of meetings held during the year
M Matiwani	Social Development, Education	23 July 2018 20 September 2018 22 November 2018 5 February 2019 21 March 2019 23 May 2019
S Meiring	Sport, Religion	
E Stuurman	Social Development	
J Swiegelaar	Religion	
J Kortje	Health & Religion	
P Cupido	Security and Social Development	
S Malgas	Religion	
J Gelant	Backyard Dwellers	

Table 36: Ward 12 Committee Meetings

Ward 13: Protea hotel, Alpha, Bridgton Clinic, Bridgton Library, Bridgton Police Station

Name of representative	Capacity representing	Dates of meetings held during the year
J Plaatjies	APD and Social Development	24 July 2018 24 September 2018 26 November 2018 6 February 2019 25 March 2019 27 May 2019
L Majola	Community Development	
L Jacobs	Community Development	
C Jacobs	Geographical Area	
W Cobus	Sport	
C Ceaser	Sport and Youth	
B Arendse	Geographical Area	
S Barnard	Geographical Area	
J Carnary	Community Safety	
F Stoffels	Backyard Dwellers	

Table 37: Ward 13 Committee Meetings

COMPONENT D: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

2.5 Audit Committee

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must –

(a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to –

- ☐ internal financial control and internal audit
- ☐ risk management
- ☐ accounting policies

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- the adequacy, reliability and accuracy of financial reporting information
- performance management
- effective governance
- compliance with this Act
- the annual Division of Revenue Act and any other applicable legislation
- performance evaluation
- any other issues referred to it by the municipality

2.5.1 Functions of the Audit Committee

The main functions of the Audit Committee are prescribed in Section 166 (2)(a-e) of the MFMA, which is further supplemented by the Local Government Municipal and Performance Management Regulation, as well as the approved Audit Committee Charter.

2.5.2 Members of the Audit Committee

Name of representative	Capacity	Meeting dates
J du Preez	Chairperson	29 August 2018 19 September 2018 6 December 2018 18 February 2019 25 June 2019
H Lamprecht	Member	
W Janse van Rensburg	Member	
C Prinsloo	Member	
I Lorentz	Member	

Table 38: Audit Committee

2.6 Internal Auditing

Section 165 (2)(a), (b)(iv) of the MFMA requires that:

The internal audit unit of a municipality must –

- (a) prepare a risk-based audit plan and an internal audit program for each financial year
- (b) advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to:
 - (i) Internal audit
 - (ii) internal controls
 - (iii) accounting procedures and practices
 - (iv) risk and risk management
 - (v) performance management
 - (vi) loss control
 - (vii) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation
- (c) perform such other duties as may be assigned to it by the accounting officer

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The Internal Audit is an independent section in the Office of the Municipal Manager at Oudtshoorn Municipality and forms a significant part of governance within the Municipality, contributing to good governance and regulatory reform. Internal Audit is mandated to provide independent, objective assurance and consulting service, towards adding value and improve the Municipality's operations.

During the 2018/19 financial year the following Internal Audit reports were issued:

No.	Internal Audit Reports issued
1	Results of SDBIP KEY performance indicators (four quarters).
2	DoRA 2017/18
3	Financial reporting
4	Payroll
5	SCM: formal tender process
6	Risk management
7	MFMA compliance (circulars)
8	Governance
9	Refuse removal/cleaning services
10	Vehicle tracking and refueling
11	Human settlement – Informal housing
12	Follow-up on internal audit reports
13	Sick leave
14	Capital projects: Job creation
15	Billboards

Table 39: Internal Audit Reports Issued

2.7 Supply Chain Management

2.7.1 Competitive Bids in Excess of R200 000

Bid Committee Meetings

The following table details the number of bid committee meetings held for the 2018/19 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
30	37	31

Table 40: Bid Committee Meetings

The attendance of members of the bid specification committee are as follows:

Member (Capacity)	Percentage Attendance
Manager: Fire & Disaster Manager	3
Manager: Fleet	10
Senior Manager: Electrical Services	10

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Member (Capacity)	Percentage Attendance
Senior Manager: Street and Stormwater	0
SCM Manager	17
Acting Director: Community Services	7
Acting Manager: Traffic	3
Senior Accountant: Accounting	7
Senior Clerk: Asset	0
Acting Manager: Housing	0
Manager: Job Creation	3
SCM Practitioner	37
Manager: Revenue	0
Manager ICT	3
Acting Operational Manager: Cango Cave	3
Logistics Coordinator	0
Superintendent KKLWS	0
Logistics Operator Cango Caves	0
Senior Manager Electro Technical Services	0
SCM Practitioner (2) Senior Accountant	20

Table 41: Attendance of Members of Bid Specification Committee

All role players are attending meetings to ensure complete specifications.

The attendance of members of the bid evaluation committee is as follows:

Member	Percentage Attendance
Senior Engineer: Civil	0
Manager: Job Creation	8
Acting Manager: Housing	0
SCM: Buyer	8
SCM Practitioner (1)	35
Manager: Fire & Disaster Manager	5
Traffic Officer	0
Acting Manager: Parks	3
Chief: Fire	0
Manager: Technical Services	3
Manager: Fleet	14
Manager: ICT	3
Senior Accountant: Accounting	3
Manager: Street & Storm Water	3
Senior Manager: Electrical Services	8
Senior Engineering Technician	0

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Member	Percentage Attendance
Senior Manager Electro Technical Services	0
Manager: Expenditure	3
SCM Practitioner (2) Senior Accountant	49
SCM Practitioner (3)	5
Acting Operational Manager: Cango Cave	3
Senior Head Guide (Cango Caves)	3
Manager: Revenue	5

Table 42: Attendance of Members of Bid Evaluation Committee

Legal Services gives inputs if requested.

The attendance of members of the bid adjudication committee is as follows:

Member	Percentage Attendance
Chief Financial Officer	61
Director Corporate Services	16
Director Technical Services	23
Director Community Services	52
Senior Manager Strategic Services	3
SCM Manager	55
J Uys (Acting: Technical Services)	0
D Visagie (Acting Corporate Services)	10
W Nojoko (Acting Corporate Services)	0
M Konnie (Acting Community)	3
P Tofile (Acting Corporate Services)	0
E Jantjies (Acting Corporate Services)	0
M Du Plessis (Acting CFO)	3
P Muller (Acting Technical Services)	23
*The percentages as indicated above include the attendance of those officials acting in the position of a bid committee member	

Table 43: Attendance of Members of Bid Adjudication Committee

Awards Made by the Bid Adjudication Committee

The bid adjudication committee awarded 31 bids with an estimated value of R20 million. The highest bids awarded by the bid adjudication committee are as follows:

Bid number	Title of bid	Directorate and section	Successful bidder	Value of bid awarded (inclusive of all costs)
TD-05/07/18	Formal Tender: 05/07/18: Rosevalley formal settlements program housing: Electrification of Rosevalley phase 3 for a period of two years	Technical Services – Electrical Services	VE Reticulation	R7 040 826.70

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Bid number	Title of bid	Directorate and section	Successful bidder	Value of bid awarded (inclusive of all costs)
SCM 63/2018	Formal Tender: SCM 63/2018: Tender for Oudtshoorn Grootkop Rehabilitate solid waste disposal site fencing contractor with a 4CE CIDB Grading	Technical Services – Capital Projects	Hyman Masterfence JV Beez Business Investments	R3 813 170.00
TD 01/09/18	Formal Tender: TD 01/09/18: Installation of Waste Water Treatment System and related work at Cango Caves in Oudtshoorn with a 2CE CIDB Grading or higher	Technical Services – Water & Sewerage	Urhwebo E-transand	R2 705 038.37
TD 04/11/18	Formal Tender: TD 04/11/18: Tender for Oudtshoorn upgrading of water and sewer reticulation networks	Technical Services – Water & Sewerage	Urhwebo E-transand	R3 849 000.55
TD 04/10/18	Formal Tender: TD 04/10/18: Refurbishment of pressure control chambers and bulk water meters	Technical Services – Water & Sewerage	Tricom Africa	R2 801 730.40
TD 03/10/18	Formal Tender: TD 03/10/18: Refurbishment of booster pump stations AP1, AP6, AP7 and Vlakteplaas	Technical Services – Water & Sewerage	Hidro-tech Systems	R3 199 830.15

Table 44: *Highest Bids Awarded by Bid Adjudication Committee*

Awards Made by the Accounting Officer

In terms of paragraph 5(2)(a) of Council's Supply Chain Management (SCM) Policy, only the Accounting Officer may award a bid which is in excess of R10 000 000. The power to make such an award may not be sub-delegated by the Accounting Officer. The bids awarded by the Accounting Officer were as follows:

Bid number	Title of bid	Directorate and section	Value of bid awarded (inclusive of all costs)
SCM 65/2018	Formal Tender: SCM 65/2018: Tender for security services for Greater Oudtshoorn Municipal area for a period of 3 years.	Community Services -	R17 007 266.14
TD 01/03/19	Formal Tender: TD 01/03/19: Blossoms emergency water supply scheme – Supply of pipes	Technical Services	R28 335 606.96

Table 45: *Awards Made by Accounting Officer*

Appeals Lodged by Aggrieved Bidders

2 Objections were received for the period under review and both were resolved in favour of the Municipality, i.e. original appointments upheld.

Awards Made in terms of Preferential Procurement Regulations, 2011

All awards above R200 000 were made in terms of the above-mentioned Regulation and any deviation was approved by the Municipal Manager.

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2.7.2 Deviation from Normal Procurement Processes

Paragraph 36 of Council's SCM Policy allows the Accounting Officer to dispense with the official procurement process. Deviations amounting to R7 552 791.24 was approved by the Accounting Officer. The following table provides a summary of deviations approved for 2018/19:

Type of deviation	Number of deviations	Value of deviations	Percentage of total deviations value
Sole Provider	37	R1 383 230	23%
Impractical / Exceptional	69	R3 089 405	53%
Emergency	30	R1 320 487	22%

Table 46: Summary of Deviations

Deviations from the normal procurement processes have been monitored closely since the start of the previous financial year. Monthly reporting in terms of paragraph 36 of the SCM Policy has been complied with.

2.7.3 Logistics Management

The system of logistics management must ensure the following:

- the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock
- the placing of manual or electronic orders for all acquisitions other than those from petty cash
- before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract
- appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased
- regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes
- Monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for goods or services

Each stock item at the municipal stores, 26 Church Street, Oudtshoorn is coded and is listed on the financial system. Monthly monitoring of patterns of issues and receipts are performed by the Storekeeper.

Inventory levels are set at the start of each financial year. These levels are set for normal operations. If special projects are being launched by departments, such information is not communicated timely to the Stores Section in order for them to gear them to order stock in excess of the normal levels.

Internal controls are in place to ensure that goods and service that are received are certified by the responsible person which is in line with the general conditions of contract.

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Regular checking of the condition of stock is performed. Quarterly stock counts are performed at which surpluses, deficits, damaged and redundant stock items are identified and reported to Council.

2.7.4 Disposal Management

The system of disposal management must ensure the following:

- immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise
- movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous
- firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee
- immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise
- all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed
- where assets are traded in for other assets, the highest possible trade-in price is negotiated;
- in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment

The Municipality complies with Section 14 of the MFMA which deals with the disposal of capital assets. The disposal process plan was finalised in August 2010 and aims to provide the guidelines for the disposal of all obsolete and damaged assets.

2.7.5 SCM Performance Indicators

The SCM Policy requires that an internal monitoring system be established and implemented to determine, on the basis of retrospective analysis, whether the SCM processes were followed and whether the objectives of the SCM Policy were achieved.

Monitoring of internal processes is an on-going process. Standard operating procedures are being prepared. Templates of required documents were distributed to all SCM role players to ensure compliance in terms of processes. All complaints are captured in a register and control measures are implemented to address the latter. Irregular, fruitless and wasteful expenditure were identified and reports are regularly submitted to the Section 32 Committee for recommendations to Council (Section 32 of the MFMA refers). The following table details the performance for each of those key performance indicators:

Key performance indicator	2017/18	2018/19
Ensure that tenders are successfully finalised and awarded within the validity period of the tender to enhance effective delivery of services	85%	66.67%
Provide administrative support to the bid and adjudication committees to ensure fast and effective SCM processes	100%	100%
Compliance with the SCM Act measured by the limitation of successful appeals against the Municipality	90%	100%

Table 47: SCM Performance Indicators

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2.8 Communication

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa and other statutory enactments all impose an obligation on local government communicators and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

Good customer care is clearly of fundamental importance to any organisation. A successful communication strategy therefore links the people to the Municipality's programme for the year. Below is a communication checklist of the compliance to the communication requirements:

2.8.1 Communication Activities

Communication activities	Description
Media relations	<ul style="list-style-type: none"> • Issuing of media release • Responding to media enquiries • Convening of press/media conferences & media tours
External communication	<ul style="list-style-type: none"> • Issuing of external newsletters • Attend public imbizo for communication purposes • Manager municipal website
Internal communication	<ul style="list-style-type: none"> • Issue internal messages through internal memorandums, circulars • Issuing of internal newsletters
Social media	<ul style="list-style-type: none"> • Manager social media platforms such as Facebook and Twitter
Language services	<ul style="list-style-type: none"> • Management of translation services • Management of interpreting services • Editing of documents
Corporate identity and image	<ul style="list-style-type: none"> • Management of corporate identity and branding • Development of corporate marketing material • Development of promotional material • Ensure development of brand strategy of the Oudtshoorn Municipality
Policy and strategies	<ul style="list-style-type: none"> • Development of Communication Strategy • Development of Crisis Communication Policy • Development of Social Media Policy
Marketing and advertising	Manage advertising process of the municipal print media, electronic media and social media
Communication research	<ul style="list-style-type: none"> • Writing speeches for Executive Mayor, Deputy Mayor, Speaker and members of Council on request. • Community Satisfaction Survey and media monitoring

Table 48: Communication Activities

2.8.2 Newsletters

Type of newsletter	Issues distributed	Circulation number	Frequency
External newsletter	12	20 000	Monthly

Table 49: Newsletters

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2.8.3 Additional Communication Channels Utilised

Channel	Yes/No
Call system and WhatsApp	Yes
Social media: Facebook	Yes
Social media: Twitter	Yes
Website	Yes
Media (local, regional & national)	Yes
Public meetings	Yes

Table 50: Communication Activities

2.9 Website

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of Section 75 of the MFMA and Section 21A and B of the MSA as amended.

The website should serve as a mechanism to promote accountability and transparency to communities and therefore information posted should be accurate and timeously updated.

The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation. It is a communication tool that should allow easy and convenient access to relevant information. The municipal website should serve as an integral part of the municipality's communication strategy.

The table below gives an indication about the information and documents that are published on our website.

Description of information and/or document	Yes/No
Municipal contact details (Section 14 of the Promotion of Access to Information Act)	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)	
Draft Budget 2018/19	Yes
Adjusted Budget 2018/19	Yes
Customer Care, Credit Control & Debt Collection Policy	Yes
Indigent Policy	Yes
Investment & Cash Management Policy	Yes
Rates Policy	No
Supply Chain Management Policy	Yes
Tariff Policy	Yes
SDBIP 2018/19	Yes
IDP and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)	

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Description of information and/or document	Yes/No
Reviewed IDP for 2018/19	Yes
IDP Process Plan for 2018/19	Yes
Supply Chain Management (Sections 14(2), 33, 37 & 75(1)(e) & (f) and 120(6)(b) of the MFMA and Section 18(a) of the National SCM Regulation)	
Long term borrowing contracts	Yes
Section 37 of the MFMA; No 56 of 2003 (Unsolicited Bids/Contracts)	No
Public invitations for formal price quotations	No
Reports (Sections 52(d), 71, 72 & 75(1)(c) and 129(3) of the Municipal Finance Management Act)	
Annual Report of 2017/18	Yes
Mid-year budget and performance assessment	Yes
Quarterly reports	Yes
Monthly Budget Statement	Yes
Local Economic Development (Section 26(c) of the Municipal Systems Act)	
Local Economic Development Strategy	Yes
Economic Profile	Yes
Performance Management (Section 75(1)(d) of the Municipal Finance Management Act)	
Performance agreements for employees appointed as per S57 of Municipal Systems Act	Yes

Table 51: Website Checklist

CHAPTER 3

This chapter provides an overview of the key service achievements of the Municipality that came to fruition during 2018/19 in terms of the deliverables achieved compared to the key performance objectives and indicators in the Integrated Development Plan (IDP).

3.1 Overview of Performance within the Organisation

Performance management is a process which measures the implementation of the organisation's strategy. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the Municipality.

At local government level performance management is institutionalised through the legislative requirements on the performance management process for local government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organisation and its employees, are met.

3.1.1 Legislative Requirements

The Constitution of the RSA, Section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of Section 195(1) are also linked with the concept of performance management, with reference to the principles of inter alia:

- the promotion of efficient, economic and effective use of resources
- accountable public administration
- to be transparent by providing information
- to be responsive to the needs of the community
- to facilitate a culture of public service and accountability amongst staff

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the IDP to align to the municipal budget and monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In terms of Section 46(1)(a) of the MSA a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with the performance of the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance.

3.1.2 Performance Management

Performance management is prescribed by Chapter 6 of the MSA and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7(1) of the aforementioned regulation states that "A municipality's performance management system entails a framework that describes and represents how the municipality's cycle and processes of

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performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the responsibilities of the different role players.” This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance. The Performance Management Framework is currently under review and will be submitted to Council for adoption in the 2019/20 financial year.

3.1.3 Organisational Performance

Strategic performance indicates how well the Municipality is meeting its objectives and which policies and processing are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation. The implementation must be monitored on an on-going basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlights the strategic performance in terms of the Municipality’s Top Layer SDBIP, high level performance in terms of the National Key Performance Areas, performance on the National Key Performance Indicators (KPIs) prescribed in terms of Section 43 of the MSA and an overall summary of performance on municipal services.

The organisational performance is monitored and evaluated via the Top Layer SDBIP. The Top Layer SDBIP for 2018/19 was approved by the Mayor on 18 June 2018.

3.1.4 Individual Performance: Municipal Manager and Managers Directly Accountable to the Municipal Manager

The MSA prescribes that the Municipality must enter into performance-based agreements with the all Section 57-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). The performance agreements for the Municipal Manager and applicable directors for the 2018/19 financial year was signed before 30 June 2018.

The formal appraisal of the actual performance takes place twice per annum as regulated. The final evaluation of the 2017/18 financial year (1 January 2018 to 30 June 2018) took place on 29 January 2019 and the mid-year performance of 2018/19 (1 July 2018 to 31 December 2018) is scheduled to take place on 5 September 2019.

3.1.5 The IDP and the Budget

Both the IDP and budget for 2018/19 was reviewed and approved on 31 May 2018. The IDP process and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation, management, monitoring and evaluation of the IDP.

The Top Layer SDBIP was revised with the Adjustments Budget in terms of Section 26(2)(c) of the Municipal Budget and Reporting Regulations and Section 54(1)(c) of the MFMA and an amended Top Layer SDBIP was approved by Council on 10 June 2019.

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3.1.6 Actual Performance

The Municipality utilise an electronic web-based system on which KPI owners update actual performance on a monthly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- The actual result in terms of the target set
- A performance comment
- Actions to improve the performance against the target set, if the target was not achieved

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results.

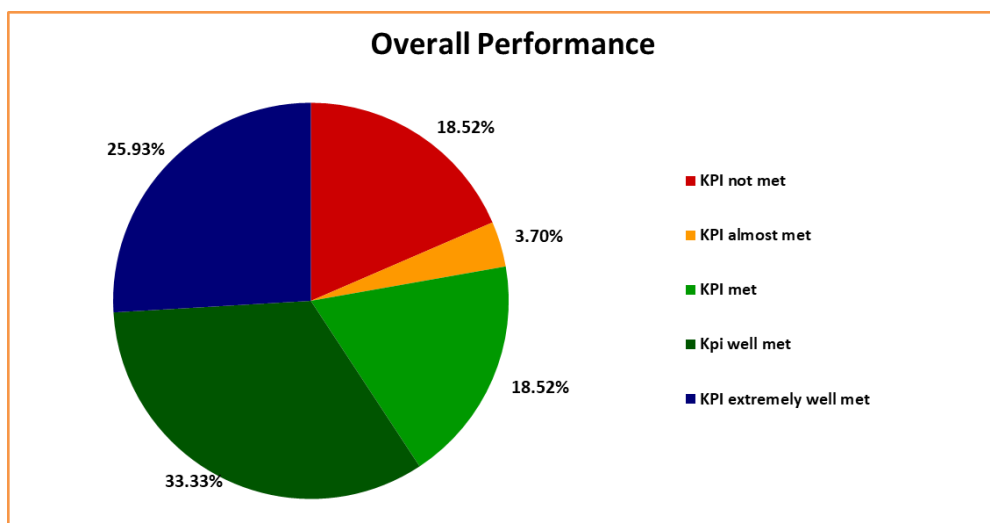
3.2 Strategic Service Delivery Budget Implementation Plan

This section provides an overview on the achievement of the Municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer SDBIP assists with documenting and monitoring of the municipality's strategic plan and shows the strategic alignment between the IDP, Budget and Performance plans.

In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP KPI's applicable to 2018/19 in terms of the IDP strategic objectives. The following table explains the method by which the overall assessment of the actual performance against the targets set for the key performance indicators (KPI's) of the SDBIP, are measured:

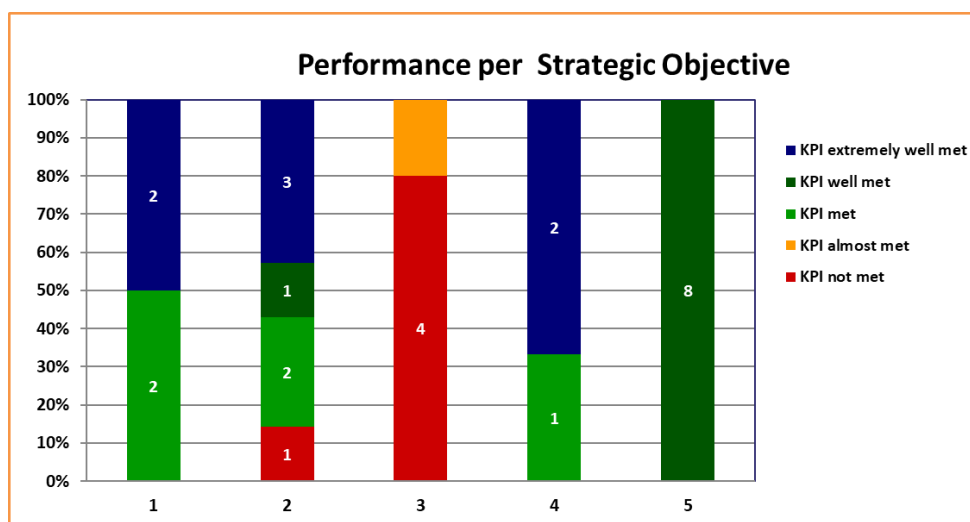
Category	Colour	Explanation
KPI Not Yet Measured		KPI's with no targets or actuals in the selected period
KPI Not Met		0% > = Actual/Target < 75%
KPI Almost Met		75% > = Actual/Target < 100%
KPI Met		Actual/Target = 100%
KPI Well Met		100% > Actual/Target < 150%
KPI Extremely Well Met		Actual/Target > = 150%

Table 52: SDBIP Measurement Criteria



Graph 3.: Overall Performance

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Graph 4.: Performance per Strategic Objective

Measurement Category	Objective 1	Objective 2	Objective 3	Objective 4	Objective 5	Total
	An ethical and transparent local government that is responsive to the needs of the community and encourage public participation	To achieve financial sustainability and strengthen municipal transformation and development	To create sustainable integrated human settlements and safe neighbourhoods where communities can prosper	To promote social, rural and spatial economic development	To provide basic services to all residents in an environmentally sustainable manner	
KPI Not Met	0	1	4	0	0	5
KPI Almost Met	0	0	1	0	0	1
KPI Met	2	2	0	1	0	5
KPI Well Met	0	1	0	0	8	9
KPI Extremely Well Met	2	3	0	2	0	7
Total	4	7	5	3	8	27

Table 53: Top Layer SDBIP per Strategic Objective

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The tables listed below indicates the actual strategic performance and corrective measures, that will be implemented, set in the approved SDBIP per Strategic objective:

3.2.1 An ethical and transparent local government that is responsive to the needs of the community and encourage public participation

Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2018/19						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL5	Submit the Fraud Prevention Plan to Council for approval by 30 June 2019	Fraud Prevention Plan submitted to Council for approval	All	0	0	0	0	1	1	1	G
TL20	Limit unaccounted electricity to less than 13% by 30 June 2019 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl Free basic electricity)) / Number of Electricity Units Purchased and/or Generated) x 100}	% unaccounted electricity by 30 June	All	8.15%	0%	0%	0%	13%	13%	6.28%	B
TL23	Water quality level obtained in terms of reporting e-coli tests conducted	Number of Lab reports for water quality obtained	All	95%	0	0	0	1	1	2	B
TL28	Conduct a study regarding roads that require urgent repair and submit a report to Council by 31 May 2019	Study conducted and report submitted to Council	All	1	0	0	0	1	1	1	G

Table 54: An ethical and transparent local government that is responsive to the needs of the community and encourage public participation

Summary of Results: An ethical and transparent local government that is responsive to the needs of the community and encourage public participation		
	KPI Not Met	0
	KPI Almost Met	0
	KPI Met	2
	KPI Well Met	0
	KPI Extremely Well Met	2
Total KPIs		4

Table 55: Summary of Results: An ethical and transparent local government that is responsive to the needs of the community and encourage public participation

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3.2.2 To achieve financial sustainability and strengthen municipal transformation and development

Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2018/19						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL1	Number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan during the 2018/19 financial year	Number of people employed in the three highest levels of management (Appoint 1)	All	4	0	0	0	1	1	1	G
TL2	Spend 0,3% of a municipality's budget on implementing its workplace skills plan by 30 June 2019 [(Actual total training expenditure divided by total personnel budget) x100]	% of the Personnel budget spent	All	0.44%	0%	0%	0%	0.30%	0.30%	0.30%	G
TL4	The percentage of the municipal capital budget spent on capital projects as at 30 June 2019 {(Actual amount spent on capital projects / Total amount budgeted for capital projects)X100}	% the capital budget spent on capital projects as at 30 June 2019	All	84%	20%	35%	60%	85%	85%	59.89%	R
Corrective action		The late receipt of the R30 million in respect of Blossoms during April caused the ratio to be skewed as the tender process was finalised yet delivery of the pipes only in the new financial year. Also, the Dysselsdorp infrastructure to the value of R5 million could not commence before the Town Planning approval was granted which only occurred in June 2019. If these 2 projects are excluded the spending would exceed 85%									
TL15	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2019 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant))	% of debt coverage	All	11.77%	0%	0%	0%	21%	21%	8.89%	B
TL16	Financial viability measured in terms of the outstanding service debtors as at 30 June 2019 ((Total outstanding service debtors/ revenue received for services)x100)	% of outstanding service debtors (total outstanding debtors refers to total net debtors)	All	12%	0%	0%	0%	15%	15%	11.75%	B
TL17	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June	Number of months it takes to cover fix operating expenditure with available cash	All	1.4	0	0	0	0.75	0.75	1.8	B

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Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2018/19						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
	2019 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))										
TL18	Achieve a debtor payment percentage of 96% as at 30 June 2019 {(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100}	% debtor payment achieved	All	1.4	96%	96%	96%	96%	96%	96.50 %	G2

Table 56: To achieve financial sustainability and strengthen municipal transformation and development

Summary of Results: To achieve financial sustainability and strengthen municipal transformation and development		
	KPI Not Met	1
	KPI Almost Met	0
	KPI Met	2
	KPI Well Met	1
	KPI Extremely Well Met	3
Total KPIs		7

Table 57: Summary of Results: To achieve financial sustainability and strengthen municipal transformation and development

3.2.3 To create sustainable integrated human settlements and safe neighbourhoods where communities can prosper

Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2018/19						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL6	Construct 332 top structure in Rosevalley by 30 June 2019	Number of top structures constructed	6	New KPI for 2018/19	0	0	0	332	332	318	O
Corrective action		318 Residential units complete, 14 serviced sites									
TL7	Upgrade 100 sites in Dysselsdorp by 30 June 2019	Number of sites upgraded with access to services	9; 10	0	0	0	0	100	100	0	R
Corrective action		Plan approval was received on the 28th of May 2019. The contractor is expected to be on site in mid-August 2019.									
TL8	Build 32 BNG houses in Bongoletu/Bridgton by 30 June 2019	Number of BNG houses built	4; 8	New KPI for 2018/19	0	0	0	32	32	0	R

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Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2018/19							
					Target					Actual		
					Q1	Q2	Q3	Q4	Annual			
Corrective action		The site that was identified for the 32 houses could not be used, due to the fact that informal churches is on the site. Additional land has been identified to build the 32 houses on. new layout needs to be done										
TL9	Replace mud houses in Bongoletu by 30 June 2019	Number of mud houses replaced with standard brick houses	4; 8	New KPI for 2018/19	0	0	0	9	9	1	R	
Corrective action		Only one house has been completed, due to the fact that the beneficiaries of the houses can't decide who will complete the subsidy application										
TL10	Upgrade 30 houses in Bongoletu by 30 June 2019	Number of houses upgraded where existing houses have aged and have structural issues to bring the house to acceptable living standard	4; 8	New KPI for 2018/19	0	0	0	30	30	0	R	
Corrective action		We await on Province to appoint a Engineer who needs to do the assessments										

Table 58: To create sustainable integrated human settlements and safe neighbourhoods where communities can prosper

Summary of Results: To create sustainable integrated human settlements and safe neighbourhoods where communities can prosper		
	KPI Not Met	4
	KPI Almost Met	1
	KPI Met	0
	KPI Well Met	0
	KPI Extremely Well Met	0
Total KPIs		5

Table 59: Summary of Results: To create sustainable integrated human settlements and safe neighbourhoods where communities can prosper

3.2.4 To promote social, rural and spatial economic development

Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2018/19						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL21	Construct 0.5 km of new roads by 30 June 2019	KM's of new roads constructed	All	New KPI for 2018/19	0	0	0	0.5	0.5	1.3	B
TL22	Limit unaccounted water to less than 25% by 30 June 2019 (Number of Kilolitres Water Purchased and Purified - Number of Kilolitres Water Sold (incl free basic water) / Number of Kilolitres Water Purchased or Purified x (100)	% unaccounted water	All	12.70%	0%	0%	0%	25%	25%	25%	G
TL24	Create temporary jobs - FTE's in terms of EPWP by 30 June 2019 (Person days / FTE (230 days))	Number of FTE's created by 30 June	All	65	0	0	0	65	65	177	B

Table 60: To promote social, rural and spatial economic development

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Summary of Results: To promote social, rural and spatial economic development		
	KPI Not Met	0
	KPI Almost Met	0
	KPI Met	1
	KPI Well Met	0
	KPI Extremely Well Met	2
Total KPIs		3

Table 61: Summary of Results: To promote social, rural and spatial economic development

3.2.5 To provide basic services to all residents in an environmentally sustainable manner

Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2018/19						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL11	Provide subsidies for free basic water to indigent households as at 30 June 2019	Number of indigent households receiving subsidies for free basic water as per PROMUN financial system as at 30 June	All	5,756	5,150	5,150	5,150	5,150	5,150	6,843	G2
TL12	Provide subsidies for free basic electricity to indigent households (excluding ESKOM supply area) as at 30 June 2019	Number of indigent households receiving subsidies for free basic electricity as per PROMUN financial system as at 30 June	All	5,788	4,800	4,800	4,800	4,800	4,800	6,199	G2
TL13	Provide subsidies for free basic sanitation to indigent households as at 30 June 2019	Number of indigent households receiving subsidies for free basic sanitation as per PROMUN financial system as at 30 June	All	5,759	5,100	5,100	5,100	5,100	5,100	6,692	G2
TL14	Provide subsidies for free basic refuse removal to indigent households as at 30 June 2019	Number of indigent households receiving subsidies for free basic refuse removal as per PROMUN financial system as at 30 June	All	5,766	5,100	5,100	5,100	5,100	5,100	6,697	G2
TL19	Provide refuse services to residential properties for which refuse is removed and billed for the service as at 30 June 2019	Number of residential properties which are billed for refuse removal as per the PROMUN financial system as at 30 June	All	14,283	13,750	13,750	13,750	13,750	13,750	14,436	G2
TL25	Provide piped water to residential properties which are connected to the municipal water infrastructure network and billed for the service as at 30 June 2019	Number of residential properties that receive piped water as per the Promun Financial System as at 30 June	All	14,876	13,750	13,750	13,750	13,750	13,750	15,236	G2
TL26	Provide electricity to residential properties connected to the municipal electrical infrastructure network and billed for the service	Number of residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering) as	All	16,227	13,750	13,750	13,750	13,750	13,750	15,759	G2

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Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2018/19						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
	as well as prepaid electrical metering as at 30 June 2019	per the Promun Financial System as at 30 June									
TL27	Provide sanitation services to residential properties which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets) as at 30 June 2019	Number of residential properties which are billed for sewerage in accordance with the promun financial system as at 30 June	All	14,587	13,750	13,750	13,750	13,750	13,750	14,924	G2

Table 62: *To provide basic services to all residents in an environmentally sustainable manner*

Summary of Results: To provide basic services to all residents in an environmentally sustainable manner		
	KPI Not Met	0
	KPI Almost Met	0
	KPI Met	0
	KPI Well Met	8
	KPI Extremely Well Met	0
Total KPIs		8

Table 63: *Summary of Results: To provide basic services to all residents in an environmentally sustainable manner*

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3.2.7 Service Provider Performance

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the Municipality has entered a service delivery agreement. A service provider means:

- A person or institution or any combination of persons and institutions which provide a municipal service
- An external mechanism referred to in Section 76(b) which provides a municipal service for a municipality
- A Service delivery agreement between a municipality and an institution or person mentioned in Section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the Municipality

During the year under review the Municipality did not appoint any service providers who provided a municipal service to or for the benefit of the local community on behalf of the Municipality and therefore this report contains no such details. All other contract appointments are regularly monitored and ensured, that the requirements of the contract are complied with.

3.2.8 Municipal Functions

a) Analysis of Functions

The table below indicates the functional areas that the Municipality are responsible for in terms of the Constitution:

Municipal Function	Municipal Function Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewerage disposal systems	Yes
Constitution Schedule 5, Part B functions:	

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Municipal Function	Municipal Function Yes / No
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	Yes
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Table 64: *Functional Areas*

3.3 Component A: Basic Services

This component includes basic service delivery highlights and challenges, includes details of services provided for water, waste water (sanitation), electricity, waste management, housing services and a summary of free basic services.

3.3.1 Water Services

a) Introduction to Water Services

The Klein Karoo Region, the valley between the Swartberg and Langeberg Mountains, is a water scarce area with an average precipitation ranging between 280 mm and 360 mm per annum.

The Melville Dam and Koos Raubenheimer Dam, both owned by the Municipality, supply Oudtshoorn with water. This supply is augmented with water diverted from the Rust en Vrede Stream into the Raubenheimer Dam. These dams supply water to the urban and industrial consumers in Oudtshoorn, as well as to rural users along the pipeline route.

Exploration of deep groundwater resources in the Oudtshoorn area has confirmed the potential of deep aquifers to augment existing supplies. Potential synergy and increased assurance of supply could be achieved with the linking of different schemes in the Klein Karoo, especially via the Klein Karoo Rural Water Supply Scheme (KKRWSS).

The KKRWSS area covers the town of Dysseisdorp, as well as rural communities and farms in the Olifantsrivier Valley and Gamka River Valley. The scheme is supplied from several wellfields between the Kammanassie Mountains and Calitzdorp, while the Vermaak's River Wellfield taps into the Peninsula Aquifer. All the other KKRWSS boreholes are located in the Nardouw Aquifer. A collector well, near Dysseisdorp, is used to extract water from the alluvial aquifer along the Olifantsriver.

The raw water is taken directly from the KKRWSS boreholes into the two treatment works:

- The Dysseisdorp Water Treatment Works (WTW) (East) is designed for 3.5 million m³/a (cubic metres per annum) and operates at 1.1 million m³/a.
- The Calitzdorp WTW (West) is designed for 0.9 million m³/a, but operates at only 0.1 million m³/a.

De Rust/Blomnek can extract 143 000 m³/a from a weir at the Huis River, which is diverted into the De Rust Reservoir. Whilst the source is generally able to provide sufficient water, the river flow during the dry season is lower than the town's allocation. This also corresponds with those periods (November to February) of the highest consumption.

b) Highlights: Water Services

The table below specify the highlight for the year:

Highlight	Description
Linking Blomnek Reservoir with the KKRWSS	Due to the low waterflow in summer from the Huis River, a link was created from KKRWSS to the Blomnek Reservoir to provide additional water. This has played a major role in securing water supply to Blomnek during summer, which was problematic in the past

Table 65: Water Services Highlight

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c) Challenges: Water Services

The table below specifies the challenges for the year:

Description	Actions to address
Drought	Oudtshoorn is experiencing the worst drought in many years and the water supply is under constant pressure. To alleviate the pressure, a project is currently being undertaken to supply emergency water from the Blossoms wellfield
Ageing infrastructure	Sections of the water supply network is ageing and a programme has been launched to systematically replace pipes over an extended period

Table 66: Water Services Challenges

d) Service Delivery Levels

The table below specifies the service delivery levels for the year:

Households		
Description	2017/18	2018/19
	Actual	Actual
	No.	No.
<u>Water:</u> (above min level)		
Piped water inside dwelling	15 988	15 236
Piped water inside yard (but not in dwelling)	0	0
Using public tap (within 200m from dwelling)	369	369
Other water supply (within 200m)	0	0
Minimum Service Level and Above sub-total	16 357	15 605
Minimum Service Level and Above Percentage	100%	100%
<u>Water:</u> (below min level)		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling)	0	0
No water supply	0	0
Below Minimum Service Level sub-total	0	0
Below Minimum Service Level Percentage	0%	0%
Total number of households	16 357	15 605
Include informal settlements		

Table 67: Water Service Delivery Levels: Households

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Access to Water			
Financial year	Number/Proportion of households with access to water points*	Proportion of households with access to piped water	Number /Proportion of households receiving free basic water
2017/18	369	15 988	5 602
2018/19	369	15 236	6 843
# 6,000 litres of potable water supplied per formal connection per month			

Table 68: Access to Water

e) Employees: Technical Services

The following tables indicates the staff composition for this division:

Employees: Office of the Director Technical Services				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	2	0	2	100
7 - 9	1	1	0	0
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
NS	1	1	0	0
Total	4	2	2	50
Employees and post numbers are as at 30 June				

Table 69: Employees: Office of the Director Technical Services

Employees: Water & Sewerage (Purification, KKRSWSS, Networks, Sewerage)				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	74	50	24	32
4 - 6	41	29	12	29
7 - 9	2	2	0	0
10 - 12	12	10	2	16
13 - 15	3	2	1	33
16 - 18	1	1	0	0
19 - 20	0	0	0	0
Total	133	94	39	29

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Employees: Water & Sewerage (Purification, KKRSWSS, Networks, Sewerage)				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
Employees and post numbers are as at 30 June				

Table 70: Employees: Water & Sewerage (Purification, KKRSWSS, Networks, Sewerage)

Employees: Dysselsdorp/De Rust				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	0	0	0	0
13 - 15	1	0	1	100
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	1	0	1	100
Employees and post numbers are as at 30 June				

Table 71: Employees: Dysselsdorp/De Rust

Employees: Dysselsdorp				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	16	12	4	25
4 - 6	3	3	0	0
7 - 9	1	0	1	100
10 - 12	1	1	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	21	16	5	23
Employees and post numbers are as at 30 June				

Table 72: Employees: Dysselsdorp

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Employees: De Rust				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	16	3	13	81
4 - 6	4	2	2	50
7 - 9	2	2	0	0
10 - 12	1	0	1	100
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	23	7	16	70
Employees and post numbers are as at 30 June				

Table 73: Employees: De Rust

Employees: Capital Projects				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	1	1	0	0
7 - 9	1	1	0	0
10 - 12	3	3	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	6	6	0	0
Employees and post numbers are as at 30 June				

Table 74: Employees: Capital Projects

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f) Capital: Water Services

The following table indicates the capital expenditure for this division:

Capital Expenditure 2018/19: Water Services					
Capital Projects	2018/19				
	R'ooo				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
Telemetry	500	230	0	230	230
Bulk water supply	4 499	3 672	3 672	0	3 672
Pipe replacement	1 000	1 000	990	9	1 000
Pipe replacement	1 000	1 000	982	17	1 000
Blossoms pipeline-ground water project	0	1 739	0	1 739	1 739
Blossoms pipeline-ground water project	0	26 086	4 675	21 411	26 086
Equipment	0	92	112	20	92
Raubenheimer Dam inlet tower	500	1 578	1 450	127	1 578
Raubenheimer chlorination station	500	389	389	0	389
Groundwater augmentation - KKRWS West	0	4 347	4 692	344	4 347
Refurbishment of Dysselsdorp WTW booster pump station	0	4 347	3 970	377	4 347
Total	7 999	44 480	20 937	23 547	44 480

Table 75: Capital Expenditure: Water Services

3.3.2 Waste Water (Sanitation) Provision

a) Introduction to Waste Water (Sanitation) Provision

Greater Oudtshoorn currently has 4 Waste Water Treatment Works (WWTW) serving the extended community of Oudtshoorn i.e. Oudtshoorn WWTW (10 Ml/d), Dysselsdorp (2 Ml/d), De Rust (0.2 Ml/d) and Cango Caves (30kL/d). For most part, the sewage gravitates through a waterborne network, and in some instances with the help of a few pump stations, to the various WWTW's. Some of the rural areas as well as the old part of De Rust makes use of conservancy tanks.

b) Highlights: Waste Water (Sanitation) Provision

The table below specify the highlight for the year:

Highlight	Description
Refurbishment of Dysselsdorp WWTW	This plant was not functioning as a result of dilapidated equipment. The plant was recently refurbished and is now producing effluent that is according to standard. The treated effluent is now pumped to the Dysselsdorp sport fields for irrigation

Table 76: Waste Water (Sanitation) Provision Highlight

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c) Challenges: Waste Water (Sanitation) Provision

The table below specify the challenge for the year:

Description	Actions to address
Ageing infrastructure	The sewer network is ageing and a programme has been launched to systematically replace pipes over an extended period

Table 77: Waste Water (Sanitation) Provision Challenge

d) Service Delivery Levels

The table below specifies the service delivery levels for the year:

Households		
Description	2017/18	2018/19
	Outcome	Actual
	No.	No.
Sanitation/sewerage: (above minimum level)		
Flush toilet (connected to sewerage)	15 988	14 924
Flush toilet (with septic tank)	601	601
Chemical toilet	540	577
Pit toilet (ventilated)	216	216
Other toilet provisions (above minimum service level)	60	60
Minimum Service Level and Above sub-total	17 405	16 378
Minimum Service Level and Above Percentage	100%	100%
Sanitation/sewerage: (below minimum level)		
Bucket toilet	0	0
Other toilet provisions (below minimum service level)	0	0
No toilet provisions	0	0
Below Minimum Service Level sub-total	0	0
Below Minimum Service Level Percentage	0%	0%
Total households	17 405	16 378
Including informal settlements		

Table 78: Waste Water (Sanitation) Provision Service Delivery Levels

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e) Capital: Waste Water (Sanitation) Provision

The following table indicates the capital expenditure for this division:

Capital Expenditure 2018/19: Waste Water (Sanitation) Provision					
Capital Project	2018/19				
	R'ooo				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
Upgrading WWTW-MIG	1 304	5 185	5 141	44	5 185
Oos-bank Main Sewer Pipeline	0	3 539	3 218	321	3 539
Total	1 304	8 725	8 359	365	8 725

Table 79: Capital Expenditure: Waste Water (Sanitation) Provision

3.3.3 Electro Technical Services

a) Introduction to Electro Technical Services

The local government plays a very important role in the provision of electricity. Section 153 of the Constitution places the responsibility on municipalities to ensure the provision of services to communities in a sustainable manner for economic and social support.

Oudtshoorn Municipality sources electricity in bulk from Eskom and is responsible for the distribution thereof within its approved area of supply, under license of the National Energy Regulator of South Africa. Electricity is supplied by Eskom at four intake substations at 11 000 volts and 22 000 volts respectively and redistributed to the resultant consumer via a series of cables, lines and substations in the traditional Oudtshoorn, Dysselsdorp and De Rust areas. With the exception of the scenic Congo Valleys and Matjiesrivier, Eskom supplies electricity to the extensive Oudtshoorn rural areas and remote settlements.

Electricity provision at a household level requires at least the minimum levels of service in order to function effectively. All households connected to the Greater Oudtshoorn electricity networks benefit from at least a service level five connection, i.e. a medium to high wattage supply to the premises with appropriate street lighting.

Such a service level is built upon firm thrust, as well as suitably maintained and technically rated infrastructure components supported by educated and skilled human resources. To this effect the electricity department at present embarks on the filling of sixty percent of all vacant posts, as well as expanding its asset management capacity. It is envisaged that the said strategy will have a damping effect on escalating operational expenditure thus enhancing economic efficiency.

Furthermore, the objective is to expand electrical services to all households in the Greater Oudtshoorn area.

The energy losses for the 2018/19 financial year was 6.28%, trending downwards from 8.15% in 2017/18.

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The Electro-Technical Services Department is responsible for:

- The construction and maintenance of the distribution network, as well as providing new infrastructure to ensure a reliable and affordable supply of electricity to all
- The effective management of revenue by ensuring that all supplied electricity is billed and by reducing losses in order to cover operating and capital expenses
- The provision of a reliable and acceptable level of public lighting to improve the safety and living standard of residents
- Ensure the effective utilisation of the municipal vehicle and plant fleet

b) Highlights: Electro Technical Services

The table below specifies the highlights for the year:

Highlights	Description
Dysselsdorp Bulk Infrastructure	The Bulk Infrastructure Project to increase the power supply to Dysselsdorp has been completed in order to accommodate future housing development
Maintenance and Asset Management Plan	Implementation of a fully-fledged Asset and Maintenance Management Plan
Fleet management	Replacement of old redundant vehicles with new well-equipped light duty vehicles (LDV's)

Table 80: Electro Technical Services Highlights

c) Challenges: Electro Technical Services

The table below specifies the challenges for the year:

Description	Actions to address
Slow procurement procedures	Procure service providers on a multi-annual basis
Lack of skilled personnel	Capacitate existing personnel and developing special skills by conducting training talks and demonstrations

Table 81: Electro Technical Services Challenges

d) Service Delivery Levels

The table below specifies the service delivery levels for the year:

Households		
Description	2017/18	2018/19
	Actual	Actual
	No.	No.
Energy: (above minimum level)		
Electricity (at least minimum service level)	17 394	2 752
Electricity - prepaid (minimum service level)	5 387	13 007
Minimum Service Level and Above sub-total	22 781	15 759
Minimum Service Level and Above Percentage	93.4%	90.7%
Energy: (below minimum level)		

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Households		
Description	2017/18	2018/19
	Actual	Actual
	No.	No.
Electricity (< minimum service level)	1 610	1 610
Electricity - prepaid (< min. service level)	0	0
Other energy sources	1 610	1 610
Below Minimum Service Level sub-total	1 610	1 610
Below Minimum Service Level Percentage	6.6%	9.3%
Total number of households	24 391	17 369

Table 82: Electro Technical Service Delivery Levels

e) Employees: Electro Technical Services

The following table indicates the staff composition for this division:

Employees: Electro Technical Services				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	21	11	10	47
4 - 6	33	18	15	45
7 - 9	1	1	0	0
10 - 12	17	12	5	29
13 - 15	4	2	2	50
16 - 18	2	1	1	50
19 - 20	0	0	0	0
Total	78	45	33	42
Employees and post numbers are as at 30 June				

Table 83: Employees: Electro Technical Services

f) Capital: Electro Technical Services

The following table indicates the capital expenditure for this division:

Capital Expenditure 2018/19: Electricity					
Capital Projects	2018/19				
	R'ooo				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
Computers software	263	263	236	26	263
Equipment	500	540	481	58	540

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Capital Expenditure 2018/19: Electricity					
Capital Projects	2018/19				
	R'000				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
Equipment	0	68	51	16	68
Rosevalley Phase 2- electrification connections	0	3 304	3 119	184	3 304
Office furniture equipment	0	30	8	21	30
New high mast light	0	115	0	115	115
Substation switch gear ward 2	200	736	736	0	736
Upgrading 11 Kv	1 066	1 041	1 012	29	1 041
Total	2 029	6 099	5 646	452	6 099

Table 84: Capital Expenditure: Electro Technical Services

3.3.4 Waste Management (Refuse collections, waste disposal, street cleaning and recycling)

a) Introduction to Waste Management

Successful waste management is complimented by a workforce that efficiently deals with the following tasks:

- Street cleansing including the sweeping of streets
- Cleaning of open spaces, dumping areas and communal skip operations
- Refuse removal in households once a week, using black plastic bags
- Kerbside cleansing that occurs once a week outside the households

b) Highlights: Waste Management

The table below specifies the highlights for the year:

Highlights	Description
New vehicles procured	A new compactor and a tipper truck have been procured
Revision of cleansing plan	A revised open space cleansing plan (including Dysselsdorp and De Rust) was submitted to Council for approval
Klein Karoo Nasionale Kunstefees (KKNK) 2019 Recycling Project	During the KKNK 2019 a recycling project was done in partnership with Cango Wildlife and KKNK

Table 85: Waste Management Highlights

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c) Challenges: Waste Management

The table below specifies the challenges for the year:

Description	Actions to address
Illegal dumping on open spaces	Awareness champions must be launched to create awareness on the negative impact of illegal dumping
Limited staff	Vacant positions should be filled and budgetary provision should be made for the appointment of additional staff
Lack of skips on open spaces	Budgetary provision must be made to procure additional skips

Table 86: Waste Management Challenges

d) Service Delivery Levels

The table below specifies the service delivery levels for the year:

Description	2017/18	2018/19
	Actual	Actual
Household		
Refuse Removal: (Minimum level)		
Removed at least once a week	41 182	41 501
Minimum Service Level and Above Percentage	100%	100%
Refuse Removal: (Below minimum level)		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
Below Minimum Service Level Sub-total	0	0
Below Minimum Service Level percentage	0%	0%
Total number of households	41 182	41 501

Table 87: Waste Management Service Delivery Levels

e) Employees: Cleansing Services

The following table indicates the staff composition for this division:

Employees: Cleansing Services				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	81	65	16	19
4 - 6	11	10	1	9
7 - 9	3	3	0	0

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Employees: Cleansing Services				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
10 - 12	1	0	1	100
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	97	79	18	19
Employees and post numbers are as at 30 June				

Table 88: *Employees: Cleansing Services*

f) Capital: Waste Management

The following table indicate the capital expenditure for this division:

Capital Expenditure 2018/19: Waste Management					
Capital Projects	2018/19				
	R'ooo				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
Old new waste disposal site-solid waste	3 476	2 984	3 259	275	3 259
Total	3 476	2 984	3 259	275	3 259

Table 89: *Capital Expenditure: Waste Management*

3.3.5 Housing

a) Housing Overview

The Human Settlements Department has had a fair amount of success with respect to delivery despite critical positions which have not been filled.

The Department has an approved Organogram reflecting 41 posts with 7 main work streams. There are currently 21 people occupying posts mostly on a temporary basis

The Municipality was nominated and won the Govan Mbeki Awards at provincial level in the Informal Settlements Category: for the upgrading of Rosevalley Project Phase II on 31 August 2018. The Municipality went on to win the National Government Govan Mbeki Award in November 2018. Minister B. Madikizela received the award on behalf of the Municipality and the Province.

The Human Settlements Department was invited to present a best practice (winning recipe) in South-Africa at a provincial meeting where all the municipalities were present.

The Human Settlements Department had attracted some media attention which resulted in 18 positive articles.

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The Municipality had facilitated a social contribution of R500 000 from its service provider, ASLA, towards the construction of a library in Rosevalley.

The **Policy, Education and Research Section** has been successful in garnering Council approval in December 2018 for two very important policies:

- The Allocations Policy in preparedness for the first “waiting list” project, which largely dictates that the person longest on the waiting list be offered an opportunity first. The policy also leaves room for special circumstances (disability; aged and military veterans etc.)
- The Rental Social Housing Strategy as one of 3 requirements which could result in 550 rental housing opportunities (The other 2 requirements are the employment of a dedicated social housing official and selecting a social housing partner through the SCM process)

Three hundred and eighteen (318) beneficiaries of new housing opportunities have engaged in consumer education which discusses responsibilities and caring for properties by new homeowners.

Water savings and other water heating mechanisms are being investigated for possible future installation.

The Department facilitated the installation of a flush toilet, on a private farm, to serve a rural area church and community hall.

Under the **Land and Forward Planning Section**, approval was garnered for land disposal in May 2019 for 46 parcels of land ranging in size from 198 m² (Military Veterans) to 6 000m² (GAP). The disposal of land is mainly for various categories of residential use (and business, crèches etc.).

After a protracted period of Planning Legislative Requirements, land use approval was received on 27 May 2019 at the District Tribunal, which will result in the development of 522 residential opportunities in Dysselsdorp.

A project initiation document has been prepared for a possible development of a further 2 500 serviced sites in Dysselsdorp. Approval was requested for Phase IV Rosevalley (132 opportunities) planned for the 2019/20 financial year.

Little success has been had with respect to offering feasible possible layouts for the (GG Kamp; Kanaal and Black Joint Tavern) Informal Settlements in Oudtshoorn Central, mainly due to service provider ill capacity. The site is also very difficult with respect to planning constraints where overhead power lines, canals; foul sewer servitudes and pockets of steep land exist.

The Spekkop Project has sparked lots of heated debate, largely due to the proximity to the landfill site and what seems to have become common practice to providing houses to the least affluent people in close proximity to a landfill site.

People currently residing close by, have claimed ill health and unbearable conditions due to smoke emanating from bad practices at the site. It is expected that public participation processes which form part of the Legislative processes like Environmental, Traffic and Heritage Impact Assessments, rezoning and subdivision applications will bring the debate to finality and a decision made as to the fate of the project.

Provisional layouts propose upwards of 2 500 opportunities to a maximum of 5 000. (After the Air Quality Study Report of the Grootkop Landfill Site of October 2017 was made available). This project is also categorised as on IRDP (Integrated Residential Development Program).

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This means that rental and ownership opportunities will be developed. Also that the ownership will accommodate people earning between R0 and R22 000 pm per household (for RDP and GAP Housing). This project could add R500 million to R1 billion to Oudtshoorn economy over a 5 to 10-year period. The first 1 000 houses built will address needs expressed from 1967 to 1994.

The **Informal Settlements Unit** has had a tough time delivering service but have delivered well under the circumstances. They responded promptly during adverse weather conditions. Two especially serious incidents are remembered. Volmoed: where 73 families were assisted after heavy wind and rain in February 2019 and Dysselsdorp in April 2019 where 19 families were assisted.

Their constraints have been a limited budget for structure provision and irregular availability of appropriate transportation. There is a backlog of ±250 requests.

The unit have established committees in readiness for upgrades in Dysselsdorp and Central Oudtshoorn (also an additional measure of growth control).

The provision of sanitation levels has increased from 1: 2,14 to 1: 1,84. Toilet numbers have been improved in places and toilets removed as the Informal Settlement at Riemvasmaak transformed into Rosevalley.

The **New Housing Unit** has together with the service provider steadily produced and handed over 318 new houses to families in Rosevalley Phase III. 14 families did not qualify for top structures and will receive serviced sites.

The conditions at the temporary relocation area (TRA) is described and reported as untenable as crime continues unabated with people feeling unsafe to live in the area.

Planning approval is awaited in order to commence with the fourth and final phase and is imminent. Lessons learnt from this project have influenced future actions.

Two individual houses were built in Bongoletu by Standard Bank in partnership with the Municipality, who made the land available.

A house was built with a government subsidy in partnership with Pennypinchers and other donors who improved the finishes and sponsored furniture and home appliances.

The unit is gearing itself up for Phase IV Rosevalley and Dysselsdorps imminent underground construction start. The beneficiaries for these projects have been sent for pre-screening in readiness for appropriate subsidy applications and housing products.

This section has nobly attempted repairing houses that were fire damaged / ravaged and had gone unattended for many years. Applications have been made for "emergency" funding as people unfortunately cannot afford house insurance. Undertakings were given on 21 June by the provincial department to give better effect to responding to these scenarios.

Very little positive movement can be reported on the Bongoletu Mud Houses project and possible reparation of Smartie Town and Power Houses.

The **Social Rental Housing Unit** is lagging in performance mainly due to insufficient staff capacity. Council froze the filling of vacancies which meant that the post could not be filled. Dedicated time and attention are required to select service provider/s and manage the contract/s that result from the SCM process. It is hoped that the Council makes an exception to the moratorium or allows the filling of vacancies in the near future.

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The **Administration Section** has been managing the operating budget funded by the Municipality well. All the expenditure categories with the exception of salaries and wages (where there has been under expenditure due to moratoria of vacancy filling). This is evidence of zero-based budgeting at work.

Time and attendance (and leave) is managed reasonably well (due largely to compliance and commitment by staff).

Staff training and meetings had been attended to 17 meetings for the 18/19 financial year and 4 training sessions.

The very few vehicles that were leased were used optimally. There was one reported allegation of unauthorised use (of which case has not been dealt with).

- UIFW for 2018/19 was R170 064 976. The total UIFW as at 30 June 2019 was R498 080 424
- 2 Deviations was requested (emergency removal of structures at the TRA and employment of security at the TRA)
- 1 Virement was made (for emergency structures)
- There were no reported safety incidents / mishaps. There has been wind damage to the As Street building which was repaired quickly
- 1 Case of theft has been reported from the depots fenced yard (with security guards), of 28 poles

The front office recorded 3 337 visitors (excluding the ones who had direct appointments). The Director had 700 appointments (all meetings types, the majority of which are hopeful beneficiaries or old cases that were not dealt with adequately in the past. These exclude an average of 2 walk-ins per day).

This section was also responsible for the issuing of 405 title deeds, largely Rosevalley Phase II and is already in possession of the majority of Phase III title deeds for issue early in the new financial year.

- 4 Finance linked individual subsidies have been approved to the value of R233 144
- 40 Individual subsidy applications have been made, and 16 applications have been approved, to the value of R2 316 996

The biggest problem that this section faced was the inability to deal with outstanding historical title deeds of the old Council Rental Stock largely due to ill-affordability in the past, but more recently because of the elongated process of securing a service provider in a sister department. This has now been resolved. In the meanwhile, old RDP outstanding title deeds has experienced some movement with the appointment of F. Salie Attorneys through the provincial government. 283 Properties details have been handed to the attorneys to deal with the administration and transfer (affecting areas like Thabo Mbeki Square; Bongoletu; Bridgton and Smartie Town).

Dealing with family disputes has been easier with the unit having made a concerted effort to centralise all files of old Council Rental Stock that need to be transferred in title, with a view to closing and archiving.

The **Strategic Support Unit** has ensured compliance to grant funding expenditure and reporting (with New Housing doing the contract monitoring).

The Division of Revenue Act (DORA) allocation was R27 399 000 for the financial year. The Department though received R50 538 845 (and spent R45 526 941).

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Portfolio items (mostly monthly reports) have been driven and submitted timeously such that all portfolio meetings that were quorate could be held successfully. (The amount of time afforded the Portfolio is insufficient to have meaningful engagement with the committee members and other councillors).

b) *Employees: Human Settlements*

The following table indicates the staff composition for this division:

Employees: Policy, Education & Research				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	1	0	1	100
7 - 9	0	0	0	0
10 - 12	0	0	0	0
13 - 15	1	0	1	100
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	2	0	2	100
Employees and post numbers are as at 30 June				

Table g0: *Employees: Policy, Education & Research*

Employees: Land and Forward Planning				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	1	0	1	100
7 - 9	0	0	0	0
10 - 12	0	0	0	0
13 - 15	1	0	1	100
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	2	0	2	100
Employees and post numbers are as at 30 June				

Table g1: *Employees: Land and Forward Planning*

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Employees: New Housing				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	4	1	3	75
7 - 9	0	0	0	0
10 - 12	4	0	4	100
13 - 15	1	0	1	100
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	9	1	8	89
Employees and post numbers are as at 30 June				

Table g2: *Employees: New Housing*

Employees: Social Housing (Rental)				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	1	0	1	100
7 - 9	0	0	0	0
10 - 12	0	0	0	0
13 - 15	1	0	1	100
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	2	0	2	100
Employees and post numbers are as at 30 June				

Table g3: *Employees: Social Housing (Rental)*

Employees: Strategic Support				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	1	0	1	100
7 - 9	0	0	0	0
10 - 12	0	0	0	0
13 - 15	1	0	1	100

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Employees: Strategic Support				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	2	0	2	100
Employees and post numbers are as at 30 June				

Table 94: *Employees: Strategic Support*

Employees: Informal Settlements				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	2	1	1	50
4 - 6	7	1	6	85
7 - 9	0	0	0	0
10 - 12	0	0	0	0
13 - 15	1	0	1	100
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	10	2	8	80
Employees and post numbers are as at 30 June				

Table 95: *Employees: Informal Settlements*

Employees: Administration				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	10	2	8	80
7 - 9	1	1	0	0
10 - 12	0	0	0	0
13 - 15	1	0	1	100
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	12	3	9	75
Employees and post numbers are as at 30 June				

Table 96: *Employees: Administration*

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c) Capital: Housing

The following table indicate the capital expenditure for this division:

Capital Expenditure 2018/19: Housing					
Capital Projects	2018/19				
	R'ooo				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
Dysselsdorp new housing project - external services	0	5 000	0	5 000	5 000
Total	0	5 000	0	5 000	5 000

Table 97: Capital Expenditure: Housing

3.3.6 Free Basic Services and Indigent Support

a) Introduction

Basic municipal services are rendered to all urban areas and some rural areas within the municipal boundaries. Lack of funding is direly restricting progress within the extension of basic services to areas still requiring services or in need of improvements in existing services. The following table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved Indigent Policy of the Municipality, all households earning less than **R3 400** per month receive the allocated free basic services as prescribed by national policy.

Financial year	Number of households								
	Total no of HH	Free Basic Electricity		Free Basic Water		Free Basic Sanitation		Free Basic Refuse Removal	
		No. Access	%	No. Access	%	No. Access	%	No. Access	%
2017/18	16 357	5 788	38.93	5 756	38.69	5 759	38.71	5 766	38.76
2018/19	15 605	6 199	39.72	6 843	43.85	6 692	42.88	6 697	42.92

Table 98: Free Basic Services to Households

Electricity									
Financial year	Indigent Households			Non-indigent households			Households in Eskom areas		
	No. of HH	Unit per HH (kwh)	Value	No. of HH	Unit per HH (kwh)	Value	No. of HH	Unit per HH (kwh)	Value
			R'ooo			R'ooo			R'ooo
2017/18	5 788	50Kwh	5 260	0	0	0	208	50Kwh	233
2018/19	6 199	50 Kwh	7 085	0	0	0	215	50Kwh	142

Table 99: Free Basic Electricity Services to Indigent Households

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Water						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	Unit per HH (kl)	Value	No. of HH	Unit per HH (kl)	Value
			R'ooo			R'ooo
2017/18	5 756	6kl	9 930	0	0	0
2018/19	6 843	6kl	11 776	167	6kl	293

Table 100: Free Basic Water Services to Indigent Households

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No of HH	R value per HH	Value	No of HH	Unit per HH per month	Value
			(R'ooo)			(R'ooo)
2017/18	5 759	1 413.00	6 500	0	0	0
2018/19	6 692	1 539.38	8 443	0	0	0

Table 101: Free Basic Sanitation Services to Indigent Households

Refuse Removal						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Service per HH per week	Value	No of HH	Unit per HH per month	Value
			(R'ooo)			(R'ooo)
2017/18	5 766	1 438.50	6 670	0	0	0
2018/19	6 697	1 601.28	8 784	0	0	0

Table 102: Free Basic Refuse Removal Services to Indigent Households

3.4 Component B: Road Transport

This component includes: roads; transport; and waste water (stormwater drainage).

3.4.1 Roads and Stormwater

a) Introduction to Roads and Stormwater

Roads and Streets

Road deterioration over time is the result of either a combination of influencing factors ranging from traffic loading, weather conditions, the type of pavement and construction methods, aging of the pavement, non-timeous or regular routine/normal maintenance, non-timeous or regular resurfacing, etc or it can be due to a singular factor as mentioned herein.

Different road sections require different types of maintenance varying from routine and normal to heavy rehabilitation. Possible project types range from routine maintenance (e.g. patching), to resurfacing through to heavy rehabilitation (e.g. thick overlays and reconstruction). With the limited funds available it is important that these funds be spent at the right place at the right time to ensure optimum use of funds. The use of a Pavement Management System (PMS) is generally accepted as essential for determining the maintenance and upgrading needs/programmes for pavements in a network of roads.

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These programmes provide a good assessment of the total funds required to meet the maintenance (routine/resurfacing/rehabilitation) needs of the network and in most cases the type of maintenance required. The needs of individual projects should, however, be verified by further investigation to allow for additional unrecorded factors.

From the network definition and visual condition assessments, as per the Rural Roads Asset Management System (RRAMS) 2018, the Oudtshoorn Municipal area consists of approximately 192kms of paved roads (asphalt/seal) and approximately 4kms of block paved roads with the network having a total replacement value of approximately R 800 million.

Public Transport

The National Land Transport Transition Act (NLTTA), Act 22 of 2000, as amended by the National Land Transport Amendment Act, Act 26 of 2006, requires that district and local authorities compile a package of plans to give effect the requirements of these acts. As a further requirement three kinds of transport plans must be prepared by the different levels of government, i.e.:

- A National Land Transport Strategic Framework (NLTSF), to be prepared by the National Department of Transport
- A provincial Land Transport Framework (PLTF), to be prepared by provinces
- Integrated Transport Plans (ITP's), to be prepared by municipalities

The ITP's are further categorised for three different types of planning authorities:

- Type 1 Planning Authorities to prepare comprehensive Integrated Transport Plans
- Type 2 Planning Authorities to prepare District Integrated Transport Plans
- Type 3 Planning Authorities to prepare Local Integrated Transport Plans

Oudtshoorn Municipality is a Type 3 Planning Authority and therefore must prepare a Local Integrated Transport Plan (LITP).

The minimum content of a LITP is as follows:

- 1) Introduction
 - Responsibility
 - Status of plan
- 2) Transport status quo
 - Summarised assessment of status quo in terms of problems and causes of problems
- 3) Transport needs assessment
 - Problems areas
 - Objectives
 - Strategies
 - Comprehensive list of projects
- 4) Transport improvements proposals
 - Prioritisation of projects
 - Budget constraints

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5) Implementation budget and programme

- Sources of funding
- Cost estimates
- Programme and budgets
- Project plans

The IDP is a requirement of the MSA. It states that various integrated plans, of which the ITP is one, be taken up in the IDP. The Municipal Financial Management Act determines that projects identified in the IDP must be taken up in the municipal budget.

The existing transport system, in terms of the road system, traffic volumes, public transport services and facilities (minibus taxis, minibuss taxi facilities, buses, rail services, non – motorised transport, parking areas, special needs passengers, freight) is then assessed and given an overview on.

Stormwater

In 2012, Council adopted and approved a Stormwater Master Plan for the Oudtshoorn Municipal area. The master plan study area entails the towns of Oudtshoorn, Dysselsdorp and De Rust.

The master plan is furthermore made up of three (3) volumes:

- Volume 1: Oudtshoorn Municipality – Oudtshoorn Stormwater Master Plan
- Volume 2: Oudtshoorn Municipality – Dysselsdorp and De Rust Stormwater Master Plan
- Volume 3: Oudtshoorn Municipality – Grobbelaars River Floodline Investigation

The holistic scope of the master plan, the compilation and the eventual execution of the master plan investigation included the following:

- Continuous liaison with relevant officials from the Oudtshoorn Municipality inclusive of preliminary site visits
- Continuous liaison with the other interested and affected parties, inclusive of amongst other residents, retired municipal officials, other consultants working for the Municipality and other consultants working for private developers
- Visual investigations of the complete current stormwater infrastructure within the study area
- Compilation of draft layout plans of all infrastructure within the study area
- Surveying of all infrastructure on the draft layout plans within the study area
- Capturing all surveyed data of all infrastructure within the study area in appropriate computer programs
- Capturing all surveyed data of all infrastructure within the study area in analysis software
- Compilation of a stormwater sub catchment model of the study area
- Compilation of a stormwater drainage model of all infrastructure within the study area
- Compilation of relevant hydrographs for the respective flood events (i.e. 1: 5 years, 1: 10 years floods, etc.)
- Analysis and modelling of respective flood events
- Report on the results of the stormwater model, flagging the deficiencies and shortcomings of the existing system
- Recommendations on the rehabilitation of the deficiencies in the existing system
- Hydrological and hydraulic study of the Grobbelaars River through Oudtshoorn to determine the floodlines of the river

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The 1 in 5-year recurrence interval is normally seen as the minor flood event where the system is intended to function up to and including this event, i.e. all normal rain events up to and including a 1 in 5-year event. Since the 1 in 5-year minor flood event is critical for the analysis of the normal functioning of the minor stormwater system, insufficient capacities in drainage lines in this analysis need to be addressed.

The 1 in 50 year flood event is seen as a major flood event, where the major system (overflow system) is intended to handle up to and including this 1 in 50 year event. Upgrades to cater for these events will however be costly.

The table below consists of recommended upgrades to capacity constraints as well proposed general upgrades to the system for the study area.

Recommended upgrades to capacity constraints normally entail one or more of the following:

- Increase stormwater pipe diameter size
- Additional stormwater pipes
- Inlet and outlet control
- Erosion protection
- Kerbing
- Maintenance to existing stormwater infrastructure

General upgrades to the system, on the other hand, entail constructing new stormwater infrastructure where such infrastructure is practically non – existent.

The study of the flood lines of the Grobbelaars River will assist the Municipality in issues related to town planning, i. e. how far from the riverbanks future development must take place, etc.

The following table illustrates recommended upgrades to the existing system.

Town	Recommended upgrades – Cost inclusive VAT as at 2018	Proposed general upgrades – Cost inclusive of VAT as at 2019
Oudtshoorn	R12 840 157	R16 681 628
Dysselsdorp and De Rust	R13 794 266	R6 000 000

Over and above the cost illustrated, the establishment of new stormwater infrastructure in areas where systems are non – existent, is immense and must be appropriated for in future.

b) Highlights: Roads and Stormwater

The table below specify the highlight for the year:

Highlight	Description
100% Expenditure of Municipal Infrastructure Grant (MIG) funding on rehabilitation and reseal projects	100% of the allocated MIG funding was spent on the rehabilitation and reseal of roads

Table 103: Roads and Stormwater Highlight

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c) Challenges: Roads and Stormwater

The table below specifies the challenges for the year:

Description	Action to address
Funding for periodic reseal of roads	Budgetary provision must be made to reseal roads
Roads have reached a critical stage and certain roads need to undergo light to medium rehabilitation	Budgetary provision must be made and funding must be sourced for the rehabilitation of roads
Upgrade of existing stormwater infrastructure	Budgetary provision must be made and funding must be sourced for the upgrade of existing stormwater infrastructure

Table 104: Road and Stormwater Challenges

d) Services Delivery Levels

The tables below specify the service delivery levels for the year:

Tarred (Asphalted) Roads

Financial year	Total km tarred roads	Km of new tar & paved roads	Km existing tar roads re-tarred	Km of existing tar roads re-sheeted	Km tar roads maintained
2017/18	192	0.0	0.0	1.0	100
2018/19	192	0.0	0.0	0.0	100

Table 105: Tarred (Asphalted) Roads

Gravel Roads

Financial year	Total km gravel roads	Km new gravel roads constructed	Km gravel roads upgraded to tar / block paving	Km gravel roads graded/maintained
2017/18	29	0.0	0.9	10
2018/19	28	0.0	1.2	10

Table 106: Gravel Roads

Tar roads are maintained in line with the reports of problems received or as maintenance is required. The table below shows the desired costs involved for the maintenance and construction of roads within the municipal area:

Financial year	New and Replacements	Resealed	Maintained
	R'ooo		
2017/18	43 660	3 180	6 000
2018/19	48 026	3 498	6 600

Table 107: Cost of Construction/Maintenance of Roads

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e) Employees: Roads and Stormwater

The following table indicates the staff composition for this division:

Employees: Roads and Stormwater				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	66	44	22	33
4 - 6	23	15	8	34
7 - 9	9	7	2	22
10 - 12	4	4	0	0
13 - 15	2	1	1	50
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	104	71	33	32
Employees and post numbers are as at 30 June				

Table 108: Employees: Roads and Stormwater

f) Capital: Roads and Stormwater

The following table indicates the capital expenditure for this division:

Capital Expenditure 2018/19: Roads and Stormwater					
Capital Projects	2018/19				
	R'000				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
Upgrading Church Street Bridge	0	73	73	0	73
Two way radio	20	20	17	2	20
Speed bumps	200	200	164	35	200
Jack hammer	25	20	17	2	20
Hydroblast machine	500	560	477	82	560
Air-conditioners	15	19	15	3	19
Paving of streets	1 171	4 121	3 791	330	4 121
Construction of retaining wall - Rademeyer Street	75	75	41	33	75
Construction of retaining wall - Rademeyer Street	75	75	70	4	75
Replacement of stormwater lines - Jan Van Riebeeck Way	400	400	190	209	400
Total	2 481	5 565	4 860	704	5 565

Table 109: Capital Expenditure: Roads and Stormwater

3.5 Component C: Planning and Local Economic Development

3.5.1 Planning and Development

a) *Introduction to Planning and Development*

Planning and Development comprise of:

- Spatial planning
- Land use management
- Building control
- Environmental health management and heritage matters

Planning and Development is committed to deliver planning outcomes that addresses the plight of the poor and broaden development objectives. As a former participant in the Build Environment Support Programme (BESP), the Oudtshoorn Municipality has a credible Spatial Development Framework (SDF), which addresses the impact of the economic downturn, custodianship over biodiversity areas, development of infrastructure and rural development.

Planning and Development is, furthermore, in respect of building control, committed to providing an innovative and progressive service in order to achieve quality buildings that fully comply with the complex Building Regulations. A comprehensive plan checking process and regular, reliable site inspections by qualified Building Control Officials, help to ensure that the Building Regulation requirements are incorporated into each building project.

With respect to the Environmental, Health and Heritage component, the Planning and Development section is committed to address and / or respond to all heritage and environmental related matters within the Greater Municipal Area. Compliance to and enforcement of applicable legislation, is one of the major responsibilities in this regard, hence site and follow-up inspections and the attendance of environmental forum meetings and regular heritage meetings, to ensure compliance and efficient and effective service delivery. In terms of Heritage the Municipality also attends Heritage Permit meetings on a 2 weekly basis to assist in considering applications in respect of building older than 60years and to make recommendations to Western Cape Heritage.

The mission of Planning and Development is to:

- Strive toward administrative excellence, by reviewing and developing operating procedures on a continuous basis, with the aim of delivering a service that is effective, fair, transparent and compliant
- Recognize the key role it plays in ensuring an enabling environment for economic development as a means to sustainable livelihoods for its residents.
- Building a sustainable economic position that capitalizes on the natural endowment of Oudtshoorn and its broader locality and creates opportunities for collaboration and economic opportunities
- Continuously aim to deliver a service that is effective, fair, transparent and compliant

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b) Highlights: Planning and Development

The table below specifies the highlights for the year:

Highlights	Description
Intergovernmental Relationship with the Department of Environmental Affairs and Development Planning (DEADP)	The Oudtshoorn Municipality has an established intergovernmental relationship regarding environmental matters with DEADP. The Department is delighted to work together with the Oudtshoorn Municipality to protect the environment in the Oudtshoorn area
Revision of the SDF	Council approved the revision of the SDF. The Municipality is working in close collaboration with the DEADP to have an approved SDF ready for adoption, as a core component of the IDP, by 31 May 2020
New combined zoning scheme for the Greater Oudtshoorn Municipality	Funds have been approved in the 2019/20 financial year for the compilation of new combined zoning scheme for the Greater Oudtshoorn. A Planning Consultant has already been appointed. It is envisaged that such scheme regulations will be approved in March 2020
Extension of the existing Oudtshoorn Cemetery and identification of a new site for the purposes of a cemetery	An Environmental Practitioner's Firm has already been appointed to conduct basic assessments and other specialized studies. Environmental approval should be obtained no later than 31 August 2020
Adoption of the first Air Quality Management Plan	The Municipality has adopted its first Air Quality Management Plan as per the requirements
Responses to pre-directives and directives in terms of the National Environmental Management Act (NEMA)	The Environmental Officer in collaboration with the Manager Planning and Development have continuously responded sufficient and in a detailed manner to directives and pre-directives issued by the provincial department
Final decisions with respect to all land development applications were taken within seven months of the receipt thereof	Section 54(1)(b) of the Land Use Planning Act, 2014 (Act 3 of 2014) the Head of Department must decide on a land development application within seven months of receipt thereof
Final decisions in respect of 98% of all building plan applications were taken within the prescribed timeframes: <ul style="list-style-type: none"> where the architectural area of the building to which the application relates is less than 500 square metres, a period of 30 days after receipt of the application where the architectural area of such building is 500 square metres or larger, within a period of 60 days after receipt of the application 	In terms of Section 7 of the National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977) the local authority shall grant or refuse, as the case may be, its approval in respect of any application where the architectural area of the building to which the application relates is less than 500 square metres, within a period of 30 days after receipt of the application. Where the architectural area of such building is 500 square metres or larger, within a period of 60 days after receipt of the application

Table 110: Planning and Development Highlights

c) Challenges: Planning and Development

The table below specifies the challenges for the year:

Description	Actions to address
Appointment of a Senior Clerk: Environmental Health and Heritage Officer	A proposal will be submitted to review the organogram in order to appoint an assistant to the Environmental Officer (administration and fieldwork)
Appointment of law enforcement officials to enforce of by-laws and other applicable legislation	A proposal will be submitted to dedicate 2 Law Enforcement Officers to the sub-directorate: Planning and Development. The latter will not only generate additional income but will also enable the Municipality to deal with complaints effectively and to ensure compliance with legislation

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Description	Actions to address
Appointment of a Senior Town and Regional Planner	Appoint a Senior Town and Regional Planner to manage and provide guidance/support to the Town Planning and Environment/Heritage Sections

Table 111: Planning and Development Challenges

d) Service Delivery Levels

The table below specifies the service delivery levels for the year:

Type of service	2017/18	2018/19
Building plan applications processed	289	141
Total surface (m2)(Value)	35 837	26 449
Approximate value of building work in (Rand)	221 941 463	188 475 114
Approximate value (Rand)	550 586	747 180
Land use applications processed	162	224
Complaint handling and responses to directives (Environment/Heritage)	223	252

Table 112: Additional Performance Planning and Development

e) Employees: Planning and Development

The following table indicates the staff composition for this division:

Employees: Planning and Development				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	3	3	0	0
7 - 9	0	0	0	0
10 - 12	9	5	4	44
13 - 15	0	0	0	0
16 - 18	1	0	1	100
19 - 20	0	0	0	0
Total	13	8	5	38
Employees and post numbers are as at 30 June				

Table 113: Employees: Planning and Development

3.5.2 Local Economic Development (LED)

The town's economic future lies in improving and expanding on current initiatives in learning and teaching, agriculture, tourism and industrial development. With firms already concentrating on the above key economic sectors, our longer term Vision 2030 strategy must be adjusted to build on the foundation provided by the town's current strengths. In the process of expanding the economy, we need to ensure that all projects and programmes focus on the following development objectives:

- **Create business opportunities:** Create and maximize opportunities to produce and sell products or provide services for existing and new businesses
- **Become a leader:** Maintain and increase leadership positions in training, agriculture and tourism
- **Regeneration of disadvantaged areas:** Achieve economic prosperity in all wards and specifically the previously disadvantaged areas by implementing a regeneration strategy per ward
- **Promote BEE (Black Economic Empowerment) and Small, Medium and Micro-sized Enterprise (SMME) development:** Enhance SMME development and BEE by utilising various new initiatives and strategies

What has been identified as vital to the LED program, is strategically located pockets of land that can be targeted for integrated mixed-use development to benefit all sectors of society, including land owned by the Municipality, public agencies and the private sector.

Oudtshoorn has a robust local economy that is rapidly diversifying. The economy has the ability to attract larger investments (i.e. in ecotourism, potential manufacturing activity or a regional airport hub). The Oudtshoorn Municipality understands that they should '**get the basics right**' by delivering basic services (such as water, sanitation, electricity, roads and street lighting), supporting the creation of adequate settlements and housing opportunities, contributing to a robust local economy that creates and sustains job opportunities.

The Oudtshoorn Municipality therefore aims to initiate an ambitious, sustainable infrastructure and integrated human settlement system that can create new opportunities for the following:

- Increasing population density through socially diverse residential developments
- Transforming the townships into attractive, safe and vibrant neighbourhoods
- Local economic development including commercial, industrial, tourism, arts and crafts
- Educational and training facilities and opportunities
- Environmental rehabilitation of open spaces and the beautification of public and natural areas
- Transportation, with special reference to the reinforcement of public transport, through infrastructure projects
- Use of strategic pockets of land for commercial and residential development to increase the tax base of the town
- Use the current aerodrome as a catalyst for economic growth

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a) Highlights: LED

The following performance highlights with regard to the implementation of the LED Strategy are:

Highlights	Description
Apprenticeship academy with Imperial Technical Training Academy	A partnership was established with Imperial Technical Training Academy to establish a centre in Oudtshoorn to serve the Klein and Greater Karoo
Memorandum of understanding with the University of Stellenbosch	Council signed an agreement with the University of Stellenbosch to cooperate on various projects/initiatives, more specifically on education and training as well as agricultural related projects
Partnership with University of South Africa (UNISA), South Cape College & Teacher Training	The Municipality in partnership with UNISA and South Cape College facilitated the introduction of the Foundation Phase Teacher Training on a full and part time basis in Oudtshoorn, George and Mossel Bay. In 2021, the first students will be graduating, and the Municipality must provide an administrative building as well as hostel facilities for an independent teacher training campus for the district
ABSA entrepreneurs' program	The Municipality in partnership with ABSA and the local youth café office facilitated an initiative of identifying 60 young businessmen to be trained on various aspects of running your own business
Partnership with the Provincial Department of Public Works and Transport	The Municipality facilitated a process with the department to secure an old hostel to host the Adult Learning Centre, Southern Youth Film Festival (SUFF), Youth Academy and Access Learning Computer Centre. A new fence was erected, and this building is earmarked for a for a government precinct as well as a day-care medical facility
Bridgton Business Centre	The Municipality coordinated the development of a business centre containing various retail shops to the estimate value of R44 million. The project will commence with the construction phase in October 2019 and is due for completion in 2020
Provincial economic development and tourism funding for Oudtshoorn entrepreneurs (DEDAT)	An amount of R241 000 was provided for entrepreneurs that needed cash injections and machinery for their businesses to move to the next level of sustainability
Tourism Training Marketing with 10 entrepreneurs in partnership with a service provider	The following training was offered over a two-week period: <ul style="list-style-type: none"> ➤ Entrepreneurship training ➤ Small Business training ➤ Tourism ambassador course ➤ Manage finances for a new venture

Table 114: LED Highlights

b) Challenges: LED

The table below specifies the challenges for the year:

Description	Actions to address
Available land for agricultural use specifically in the Dysselsdorp area as part of the Agri- Park initiatives	Integrated planning should be conducted and discussions with various government departments in order to address the issue
Lack of seed capital to assist upcoming entrepreneurs	Applications should be submitted to obtain funding in order to support and develop entrepreneurship and small business development
Lack of funding for the Central Business District (CBD) renewable program	The Municipality should collaborate with local Business Chamber for the upgrade / beautification of the CBD

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Description	Actions to address
Lack of funding to renew the LED Strategic with the vision of a "Tourism & Sport Hub"	The Municipality should establishment of a projection management unit to ensure the implementation of all projects in Greater Oudtshoorn

Table 115: Challenges LED

c) LED Strategy

Strategic Areas	Description
Agriculture	Diversify agriculture and add value through the implementation of processing systems
Industrial development	Promote and create incentives for new and modern industrial development in the community
Infrastructure economy	Upgrade and expand basic infrastructure such as water, electricity and roads to foster economic development
Tourism	Transform and expand the tourism sector through new initiatives and vigorous marketing

Table 116: LED Strategic Areas

d) Tourism and Marketing

Oudtshoorn Municipality is embarking on a process of establishing a long-term strategic vision to guide both municipal and community decisions concerning achieved economic growth, as well as the regeneration of previously disadvantaged areas in all wards. The town stands on a threshold of economic growth and faces multiple challenges. To deal with current and future challenges, a far-sighted investment plan needs to be developed as part of a visionary statement for 2030.

The following challenges were experienced in relation to tourism and marketing:

- Lack of funding
- Lack cohesion in marketing efforts
- Lack of resources that can be allocated to the development of tourism initiatives
- Limited capacity available to coordinate tourism development and mobilise funding efforts
- Ineffective economic empowerment and economic inclusion strategies
- Limited involvement of previously disadvantaged communities
- Inconsistent profiling of offered rural products

e) Employees: LED

The following table indicates the staff composition for this division:

Employees: LED				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	2	2	0	0

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Employees: LED				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	3	3	0	0
Employees and post numbers are as at 30 June				

Table 117: Employees: LED

3.6 Component D: Community and Social Services

3.6.1 Libraries

a) Introduction to Libraries

The role of libraries is to promote literacy and the pure enjoyment of reading. Our libraries today are a place where people can go to get information and access free internet, whether it's for leisure, study or for work. Each library is situated in the heart of the community and we help to create a sense of belonging and respond to the needs of the community. There are five libraries and a mini library in the Greater Oudtshoorn Municipality:

- CJ Langenhoven Library
- Bongoletu Library
- Bridgton Library
- De Rust Library
- Dysselsdorp Library
- Volmoed Mini Library

Our Goal:

We aim to provide opportunities for lifelong learning and to assist children and young people to develop imagination and creativity. We also aim to give adults adequate opportunities to learn about their cultural heritage.

Our Purpose:

We strive to be a dynamic, vital force in the development of our community, by extending our services to users and non-users of the libraries through both traditional and progressive methods and to maintain a warm, friendly and people- orientated atmosphere.

We also aim to provide resources and services in various forms of media, to meet the needs of individuals and groups concerning education, information and personal development.

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b) Highlights: Libraries

The table below specifies the highlights for the year:

Highlights	Description
Dysselsdorp Public Library turned 40 years old	Members of the community, together with municipal officials and Councillors, celebrated the 40 th existence of Dysselsdorp Public Library
Construction of the Rose Valley Library	The Municipality received an amount of R2 million from Provincial Library Services as part of the Conditional Grant for the construction of a new library in Rose Valley (Ward 6). An additional R6.5 million will be provided in the 2019/20 financial year towards the completion of the library
A sod turning ceremony of the Rose Valley Public Library	A sod turning ceremony took place in August 2018, where Member of the Executive Council (MEC), Anroux Marais, Western Cape Minister of Cultural Affairs and Sport turned the first soil to start the construction of the new library building project
Celebrating Mandela Day	The Library staff provided soup and sandwiches to staff and patients at Bongoletu Clinic in celebration of Mandela Day
Library for the blind	Visual impaired people can read the daily newspapers and magazines at CJ Langenhoven Memorial Library daily. The library has a demarcated area with the latest equipment, especially for the patrons with special visual needs

Table 118: Libraries Highlights

c) Challenges: Libraries

The table below specifies the challenges for the year:

Description	Actions to address
Gate counters and book detection systems need to be serviced and maintained	The service provider has been liquidated. It affects 80% of all libraries since other companies do not want to work on the systems of other service providers. A new system will cost over R200 000 per library
All libraries need upgrading and maintenance to deliver a safe and excellent library service	A maintenance needs analysis should be done to establish the costs for the maintenance and upgrading of all libraries in the Greater Oudtshoorn Municipality. The population of our communities has been growing rapidly and the libraries were built years ago and cannot accommodate the communities. Due to that our libraries are overcrowded and there is not enough space to accommodate all our users. Therefore, all the Greater Oudtshoorn libraries need to be upgraded and modernized
Space for ICT computers	The libraries have a major role in bridging the digital divide. Information and Communication Technologies (ICT) have the capacity to open new way of interactive communication between the libraries and our communities at large. Before this can happen our libraries need to be modernized and upgraded in terms of ICT Applications is required with the view of meeting informational cultural and leisure needs of the underprivileged rural communities of the Greater Oudtshoorn in order to increase the number of library users
Security	Alarm systems are crucial in our libraries to strengthen security measures and to prevent vandalism and theft of expensive items such as computers, and their accompanying technologies

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Description	Actions to address
Funding	The lack of funding especially operational and capital budget remains an obstacle for libraries to procure stable resources

Table 119: Libraries Challenges

d) Service Delivery Levels

The table below specifies the service delivery levels for the year:

Type of service	2017/18	2018/19
Library members	142 596	172 469
Books circulated	216 505	211 481
Exhibitions held	55	160
Internet users	13 666	19 950
Children programmes	309	80
Visits by school groups	24	11

Table 120: Service Delivery Levels for Libraries

e) Employees: Community Services

The following table indicates the staff composition for this division:

Employees: Office of the Director Community Services				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	1	1	0	0
4 - 6	0	0	0	0
7 - 9	1	1	0	0
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
NS	1	1	0	0
Total	3	3	0	0
Employees and post numbers are as at 30 June				

Table 121: Employees: Office of the Director Community Services

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f) Employees: Libraries

The following table indicates the staff composition for this division:

Employees: Libraries				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	8	7	1	12
4 - 6	15	11	4	26
7 - 9	2	1	1	50
10 - 12	3	1	2	66
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	29	21	8	28
Employees and post numbers are as at 30 June				

Table 122: Employees: Libraries

3.6.2 Cemeteries

a) Introduction to Cemeteries

The Greater Oudtshoorn has 5 cemeteries in Oudtshoorn, Dysseisdorp and De Rust that are managed by a supervisor.

b) Highlights: Cemeteries

The table below specify the highlight for the year:

Highlight	Description
100% preparation of graves	All grave sites booked were successfully prepared in time for funerals

Table 123: Cemeteries Highlight

c) Challenges: Cemeteries

The table below specifies the challenges for the year:

Description	Actions to address
Limited space	The extension of existing cemeteries has been initiated
Maintenance of cemeteries	A request for the provision of temporary workers to assist with the maintenance of cemeteries were submitted

Table 124: Cemeteries Challenges

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d) Services Delivery Levels

The table below specifies the service delivery level for the year:

Type of service	2017/18	2018/19
Burials	977	665

Table 125: Services Delivery Level for Cemeteries

3.6.3 Social Development

a) Introduction to Social Development

The Manager: Special Programmes reports to the Executive Manager: Strategic Services on an administrative level and to the Chairperson of the Strategic Services Portfolio Committee on a political level. The objective of this section is to address social shortcoming in the community.

Sports development

- Development of sports codes and support to clubs
- Sourcing of big sports events
- Complete funding applications for sporting activities and infrastructure

Youth development & vulnerable groups

- Develop an integrated youth development plan and monitoring implementation
- Develop and implement plan to focus on vulnerable groups
- Promote youth and vulnerable group initiatives and projects
- Ensure Council address youth and vulnerable group initiatives in all activities

Social development

- HIV/Aids and health issues
- Developing an integrated HIV/Aids Plan for the Municipality
- Develop and implement plan to address major health related issues
- Monitoring implementation of donor funding to support groups
- Sourcing of donor funding to support HIV/Aids and health issues

Transversal issues

- Develop and implement poverty alleviation strategy
- Implementation of soup kitchens across the municipal area
- Develop and source funding ECD and transversal issues

Event management

- Development of an Events Calendar
- Develop and implement strategies in terms of the Events Calendar, to strengthen the economy of the town

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Arts and Culture

- Develop an Integrated Arts and Culture Strategy
- Support local Arts & Culture Initiatives in the community

b) *Highlights: Social Development*

The table below specifies the highlights for the year:

Highlights	Description
Discussion on the Establishment of a Junior Town Council & a Ward-based Youth Forum	The Junior Town Council & a Ward-Based Youth Forum will consist of learners attending school and youth who matriculated to address youth related matters
Local Drug Action Committee (LDAC)	Establishment of LDAC through the Office of the Executive Mayor involving government departments and private NGO's to address drug related issues within the Greater Oudtshoorn area
Disability and Elderly Forum (D&EF)	The forum was established to address challenges of the elderly and disabled in the community and consist of various government departments and NGO's
Oudtshoorn Sport Festival	Community Sport Festival involving regional, provincial and national teams/federations. Role players are the Municipality, Department of Cultural Affairs and Sport, private business and other role players
Greater Oudtshoorn Local AIDS Council	Establishment of Greater Oudtshoorn Local AIDS Council consisting of government departments and other stakeholders to address HIV/AIDS related matters

Table 126: *Social Development Highlights*

c) *Challenges: Social Development*

The table below specifies the challenges for the year:

Description	Actions to address
Lack of funding	Budgetary provision must be made, and a funding application submitted to source additional funding
Lack of human capital	The organogram must be reviewed, and additional personnel must be appointed

Table 127: *Social Development Challenges*

d) *Employees: Social Development*

Employees: Social Development				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	2	2	0	0
10 - 12	3	3	0	0

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Employees: Social Development				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	6	6	0	0
Employees and post numbers are as at 30 June				

Table 128: *Employees: Social Development*

3.7 Component F: Security and Safety

3.7.1 Traffic Services

A turn-around strategy for the Traffic Department was implemented in the year under review. Improved command and control, as well as discipline have largely contributed towards a more effective, efficient and cost-effective traffic department.

a) *Highlights: Traffic Services*

The table below specifies the highlights for the year:

Highlights	Description
Upgrade of the Roadworthy Testing Centre	The Roadworthy Testing Centre was upgraded to comply with SANS 2016
Improve speed law enforcement	A service provider was appointed for speed law enforcement
Appointment of Head: Traffic	Head: Traffic was appointed from the 1st of August 2018

Table 129: *Traffic Services Highlights*

b) *Challenges: Traffic Services*

The table below specifies the challenges for the year:

Challenges	Actions to overcome
Shortage of manpower	The micro-structure must be reviewed to make provision for more traffic officers
Lack of skilled personnel	A needs analysis has been made to determine shortcomings regarding training of personnel to be better equipped
Inadequate by-laws	Current by-laws must be reviewed

Table 130: *Traffic Services Challenges*

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c) Services Delivery Levels

The table below specifies the service delivery levels for the year:

Details	2017/18	2018/19
Motor vehicle licenses processed	6 701	24 322
Learner driver licenses processed	2 496	2 455
Driver licenses processed	1 141	4 170
Driver licenses issued	5 226	5 610
Fines issued for traffic offenses	5 828	6 229
R-value of fines collected	114 021	1 259 741
Roadblocks held	63	158
Complaints attended to by Traffic Officers	133	315
Number of officers in the field on an average day	8	8
Number of officers on duty on an average day	8	8

Table 131: Services Delivery Levels for Traffic Services

d) Employees: Traffic Services

The following table indicates the staff composition for this division:

Employees: Traffic Services				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	1	0	1	100
7 - 9	0	0	0	0
10 - 12	0	0	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	2	1	1	50
Employees and post numbers are as at 30 June				

Table 132: Employees: Traffic Services

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Employees: Traffic Administration				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	1	1	0	0
4 - 6	15	14	1	6
7 - 9	1	1	0	0
10 - 12	5	2	3	66
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	22	18	4	18
Employees and post numbers are as at 30 June				

Table 133: *Employees: Traffic Administration*

Employees: Law Enforcement				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	12	0	12	100
7 - 9	2	0	2	100
10 - 12	14	9	5	35
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	29	10	19	65
Employees and post numbers are as at 30 June				

Table 134: *Employees: Law Enforcement*

e) *Capital: Traffic Services*

The following table indicate the capital expenditure for this division:

Capital Expenditure 2018/19: Traffic Services					
Capital Projects	2018/19				
	R'ooo				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
Upgrading of DLTC Facilities	650	567	567	0	567

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Capital Expenditure 2018/19: Traffic Services					
Capital Projects	2018/19				
	R'ooo				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
Air-conditioners	25	25	24	0	25
Replacement of break testing machine	254	248	171	76	248
Equipment	0	56	27	28	56
Alcohol breath analysers	40	40	27	12	40
Office furniture equipment	0	31	20	12	31
Total	969	969	840	130	969

Table 135: Capital Expenditure: Traffic Services

3.7.2 Fire Services and Disaster Management

a) Introduction to Fire Services and Disaster Management

Fire and Disaster Management Services is a 24-hour service and we strive to serve the people of Oudtshoorn in the best way we possibly can on a daily basis. Our response time is within the prescribed guidelines of the Fire Act as well as the SANS Regulation, and we aim to serve the community as fast as possible. Currently, the manpower at the Fire Department consists of 19 fire fighters, (5 are permanent and 14 are temporary). The Disaster Management Control Room have 7 permanent staff. We manage all the municipal services from the control room on a 24/7 basis and we attend to an average of 800 calls per month successfully and efficiently.

b) Highlights: Fire Services and Disaster Management

The table below specifies the highlights for the year:

Highlights	Description
Disaster Management Plan	A Disaster Management Plan was compiled and submitted for approval and the Municipality is currently working toward the establishment of a Disaster Management Advisory Forum
Appointment of Manager: Fire, Rescue and Disaster Management Services	The position of Manager: Fire, Rescue and Disaster Management Services was filled, and the new manager started on 1 June 2019
Assistance with George fires	Oudtshoorn Municipality assisted with containing of the George fires by means of dedicating vehicles and crews
Training	All our staff has completed the Firefighter 1 Course and Hazmat Awareness Course. Four staff members proceeded onto the next level and completed Firefighter 2 and Hazmat Operations Courses

Table 136: Fire Services and Disaster Management Highlights

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c) Challenges: Fire Services and Disaster Management

The table below specifies the challenges for the year:

Challenges	Actions to overcome
Limited vehicles	Budgetary provision must be made to procure more vehicles and to refurbish vehicles to be purpose specific.
Lack of permanent fire fighters and growth of the unit	Budgetary provision must be made to fill critical vacancies and the revision of the organogram to allow for growth of the unit
Lack of essential fire fighting equipment and protective clothing	Funding must be secured to procure additional equipment and protective clothing
Lack of sub-stations in Dysselsdorp, De Rust and Volmoed	Investigate the possibility to establish sub-stations in Dysselsdorp, De Rust and Volmoed and secure the required funding

Table 137: Fire Services and Disaster Management Challenges

d) Services Delivery Levels

The table below specifies the service delivery levels for the year:

Details	2017/18	2018/19
Total fires handled in the year	484	374
Reservists and volunteers trained	0	0
Awareness Initiatives on Fire Safety	48	10

Table 138: Services Delivery Levels for Fire Services and Disaster Management

e) Employees: Fire Services and Disaster Management

The following table indicates the staff composition for this division:

Employees: Fire Services and Disaster Management				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	1	1	0	0
4 - 6	26	12	14	5
7 - 9	1	1	0	0
10 - 12	4	1	3	75
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	33	16	17	51
Employees and Posts numbers are as at 30 June				

Table 139: Employees: Fire Services and Disaster Management

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f) Capital: Fire Services and Disaster Management

The following table indicate the capital expenditure for this division:

Capital Expenditure 2018/19: Fire Services and Disaster Management					
Capital Projects	2018/19				
	R'ooo				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
Scba Set	130	130	126	3	130
65mm 45mm Hoses	50	50	42	7	50
Total	180	180	168	11	180

Table 140: Capital Expenditure: Fire Services and Disaster Management

3.8 Component G: Sport and Recreation

3.8.1 Parks and Recreation

Parks and Recreation is a section of the Department Community Services. It is further divided into the following sub-sections: sport, cemeteries, environmental maintenance and resorts. Currently the section is managed and supervised by an acting Manager, a superintendent of sport and recreation, superintendent of environmental management, a supervisor of cemeteries, supervisor of environmental management and a supervisor of sport and recreation. Sport and recreation serve an integral role in the community of Greater Oudtshoorn.

a) Highlights: Parks and Recreation

The table below specifies the highlights for the year:

Highlights	Description
Beautification of Calitzdorp entrance	Upgrade of entrance gardens with waterwise plants and hard landscape material to accommodate our drought-stricken area. The project was done in partnership with members of the local community
Hosting of major sport events (National)	The Municipality was involved with the hosting of major sport events such as swimming galas and kick boxing
Appointment of new general workers	The appointment of general workers from 1st September 2018 assisted to improve service delivery
Securing funding from the Department of Environmental Affairs and Development Planning (DEADP)	The Municipality secured funding from the DEADP to the value of R8 000 000 for upgrading of parks
Clearing of alien vegetation	The Municipality embarked on the clearing of alien vegetation in Grobelaars River

Table 141: Parks and Recreation Highlights

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b) Challenges: Parks and Recreation

The table below specifies the challenges for the year:

Description	Actions to address
Vandalism and misuse of play parks, results in a reduction of play parks in residential areas.	The Municipality has requested the South African Police Service (SAPS) to assist in this regard
Vandalism of cemeteries	The Municipality has requested the SAPS to assist in this regard
Theft of fencing at community facilities	Where feasible, the Municipality has deployed security guards and requested the support of SAPS

Table 142: Parks and Recreation Challenges

c) Parks and Recreation Service Statistics

Type of service	2017/18	2018/19
Community parks		
Number of parks with play park equipment	11	11
Number of wards with community parks	7	7
Swimming pools		
Number of swimming pools	5	5
Number of visitors at swimming pools	37 514	15 757
R-value collected from entrance fees	204 714	85 630
Sport fields		
Number of wards with sport fields	7	7
Number of sport grounds or fields	12	12
Number of events hosted	497	579
R-value collected from utilisation of sport fields	35 676	117 623
Sport halls		
Number of wards with sport halls	1	1
Number of sport associations utilising sport halls	7	7
R-value collected from rental of sport halls	84 476	95 177
Stadiums		
Number of stadiums	4	4
Number of events hosted in stadiums	497	579

Table 143: Service Statistics Parks and Recreation

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d) Employees: Parks and Recreation

The following table indicates the staff composition for this division:

Employees: Parks and Recreation				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	69	59	10	14
4 - 6	52	36	16	30
7 - 9	6	5	1	16
10 - 12	3	3	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	131	104	27	21
Employees and post numbers are as at 30 June				

Table 144: Employees: Parks and Recreation

e) Capital: Sport and Recreation

The following table indicates the capital expenditure for this division:

Capital Expenditure 2018/19: Sport and Recreation					
Capital Project	2018/19				
	R'ooo				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
Upgrading Church Street swimming pool	634	634	644	10	634
Swimming pool pump	0	23	13	9	23
Refurbishment of wood chalets	30	22	22	0	22
Upgrading of Bridgton chalets	30	18	8	9	18
Dysselsdorp sports field Phase2	260	948	948	0	948
Total	955	1 647	1 638	9	1 647

Table 145: Capital Expenditure: Sport and Recreation

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3.8.2 Community Halls and Buildings

Community Halls and Buildings includes all the municipal buildings and facilities of the Municipality. The Municipality has 6 community halls that are utilised by the community on a regular basis. This section is responsible for the cleaning and maintenance of these facilities, creating a friendly environment for the community members who utilise our community halls and ensuring that our employees work in a clean, hygienic environment.

a) Highlights: Community Halls and Buildings

The table below specifies the highlights for the year:

Highlights	Description
Hosting of KKNK events	KKNK utilises the community halls annually to host major events during the arts festival
Hosting many youth programmes, learner initiatives, workshops, meetings, funerals, weddings and church services in halls	Working with various government departments, youth centres and other institutions to help with creating the facilities for programmes
Accommodating events of up to 700 guests	Halls can accommodate up to 700 people and the Municipality hosts a variety of different events to suit various needs
Disability access	All halls are accessible people with disabilities

Table 146: Community Halls and Buildings Highlights

b) Challenges: Community Halls and Buildings

The table below specifies the challenges for the year:

Description	Actions to address
Renovation of Blomnek Community Hall and relocation of the pre-school	Officials are currently working with Council to develop an action plan to relocate the pre-school currently hosted in the hall in order to utilise the hall for community events. Funding applications will be submitted in order to secure funding for renovations of the hall
Lack of maintenance due to budgetary constraints	Sufficient funds need to be made available for the most urgent needs and for some of the breakages including broken urinals that lead to health and safety risks. Planning was conducted accordingly for the upgrade of facilities
Dedicated transport for maintenance team	Applications will be made for an additional vehicle to transport the maintenance team and various materials required

Table 147: Community Halls and Buildings Challenges

c) Community Halls and Buildings Service Statistics

Type of service	2017/18	2018/19
Number of community halls	6	6
Number events hosted	526	601

Table 148: Service Statistics Community Halls and Buildings

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d) *Employees: Community Halls and Buildings*

The following table indicates the staff composition for this division:

Employees: Community Halls and Buildings				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 – 3	37	27	10	27
4 – 6	8	6	2	25
7 – 9	7	4	3	42
10 – 12	5	1	4	80
13 – 15	1	1	0	0
16 – 18	0	0	0	0
19 – 20	0	0	0	0
Total	58	39	19	33
Employees and post numbers are as at 30 June				

Table 149: *Employees: Community Halls and Buildings*

e) *Capital: Community Halls and Buildings*

The following table indicate the capital expenditure for this division:

Capital Expenditure 2018/19: Community Halls and Buildings					
Capital Projects	2018/19				
	R'ooo				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
Upgrading Blomnek community hall	100	100	0	100	100
Upgrading of traffic department building	250	245	0	245	245
Upgrading of animal pound	900	1400	0	1400	1400
Upgrading of auditorium	200	200	0	200	200
Total	1 450	1 945	0	1 945	1 945

Table 150: *Capital Expenditure: Community Halls and Buildings*

3.8.3 *Cango Caves*

a) *Introduction to Cango Caves*

Ecologically significant and impressively beautiful, the Cango Caves serve as an archaeological and historical highlight of the Klein Karoo and Garden Route.

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It is a tourist attraction of many firsts and unique properties:

- It is the first to be protected by environmental legislation
- It is the first to employ a full-time tourist guide
- It is South Africa's first and oldest tourist attraction
- It is the biggest show cave system in Africa
- It offers multi-lingual guided tours
- The Congo Caves are open 364 days per year, every day except for 25 December

b) *Highlights: Congo Caves*

The table below specifies the highlights for the year:

Highlights	Description
Getaway Gauteng - Johannesburg	(14-18 September 2018): Promoted Oudtshoorn and Congo Caves at this Annual Consumer Tourism Exhibition
ISA Conference – Italy	(12-18 October 2018): The International Show Cave Association was formed in November 1990. Congo was one of the 1st "foreign" caves to join the association and remains one of the oldest members. This conference is held every four years. We are Africa's only representative as we are the biggest show cave on the continent
ITB Asia - Singapore	(17-19 October 2018): ITB Asia is a tourism trade show where international suppliers promote and sell their product to the international tourism trade (tour operators and travel agents). Congo Caves exhibited on the African Pavilion, organized by On Show Solutions
Africa Showcase South East Asia – Malaysia, Indonesia & Thailand	(22-26 October 2018): South East Asia is not a traditional source market for the Garden Route and Klein Karoo region. Congo Caves are working vigorously to promote our region and its offering. Trends have changed with the traditional markets (Nordics and Europe) not as forthcoming as in the past. This road show is organized by On Show Solutions
Cape Holiday Show - Stellenbosch	(26-28 October 2018): Promoted Oudtshoorn and Congo Caves at a Consumer Tourism Exhibition
Africa Showcase Mitteleuropa - Germany	(13-15 November 2018): Germany is our top source market. It is imperative to keep the momentum going as we always need to be top of mind. Congo Caves employ four German speaking guides, which makes our offering more attractive. This road show is organized by On Show Solutions
Utrecht Vakantie Beurs – Holland	(9-15 January 2019): The Netherlands is one of our top five source markets. Statistics have shown a decline in visitor numbers to the area. Congo Caves exhibited on a Garden Route and Klein Karoo stand with Oudtshoorn Tourism and Buffelsdrift Game Lodge
South African Tourism Road Show – India	(4-8 February 2019): Congo Caves participate annually in this road show. India is one of our top 5 source markets. We will not be participating in the 2020 road show as South African Tourism moved the show to mid-January which clashes with the Utrecht Vakantie Beurs
Caravan & Camp Destination Show - Johannesburg	(22-24 February 2019): Promoted Oudtshoorn and Congo Caves at this annual consumer tourism exhibition
Adventure Lifestyle Expo – Cape Town	(5-7 April 2019): Promoted Oudtshoorn and Congo Caves at this annual consumer tourism exhibition
WTM Africa – Cape Town	(10-12 April 2019): WTM African is a tourism trade show where local products promote and sell their offering to the international tourism

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Highlights	Description
	trade (tour operators and travel agents). Congo Caves exhibited on the Big Tree Marketing stand
Africa's Tourism Indaba - Durban	(7-9 May 2019): Africa's Tourism Indaba is the biggest tourism trade show held on the continent. Local suppliers promote and sell their product to the international tourism trade (tour operators and travel agents). Congo Caves exhibited on the Dirty Boots stand
Africa Showcase UK – United Kingdom	(17-21 June 2019): The United Kingdom is the 2nd most visited market to Congo Caves
Museum Symposium – Stellenbosch	(27-28 June 2019): The annual event is organised by the Western Cape Department of Cultural Affairs and Sport
Waste Water Plant	Oudtshoorn Municipality received a grant of R1.5 million to build a waste water plant at Congo Caves that will "produce" grey water which will be utilised to irrigate the gardens and for usage in the bathrooms
Tender – Congo Caves Restaurant	A tender (10 year contract) was awarded to a new supplier. This space is being overhauled. The vendor is injecting funds to create a new space that will be attractive to visitors and locals
Tender – Bathrooms	This is multi-year project. Level 3 (which receives the most traffic) will be upgraded

Table 151: *Congo Caves Highlights*

c) *Challenges: Congo Caves*

The table below specifies the challenges for the year:

Description	Actions to address
Bloated Guiding Core	<p>17 Guides are employed in total. We were obliged to appoint a further 6 guides - they had been on a renewed contract for 5+ years.</p> <p>Physical fitness degrades with time, meaning that the requirements of the job cannot be fulfilled. We have been in contact with HR to address the incapacity issue.</p> <p>It is mandatory that cave guides are registered as site guides. (The South African Tourist Guiding Industry is controlled by the Tourism Act (Act no. 72 of 1993 + the Tourism Amendment Bill 2001) and states that no person who has not been registered as a tourist guide shall, for reward, act as a tourist guide. Note: The act furthermore stipulates that tourist guides must renew registration every three years and that prospective tourist guides should complete a prescribed training course at an accredited training institution approved by Culture, Arts, Tourism, Hospitality & Sports Education & Training Authority (CATHSSETA). Level 1 1st aid is also a minimum requirement</p>
Lack of maintenance staff	<p>The Maintenance Coordinator is responsible for the upkeep of the terrain, Cave complex and the interior of the caves. Inadequate staffing makes it impossible to maintain and manage these areas.</p> <p>The terrain surrounding the Cave Complex is not being maintained properly with two permanent staff servicing this vast area – this is not feasible as they work shifts with only one staff member maintaining the garden on some days. We have applied to appoint EPWP workers to service the gardens and cave</p>
Congo Caves Complex	The complex needs a major upgrade. The current building was revamped in 1999
Vacant Positions / Organogram	The organogram needs be revised, urgently. Critical positions have been vacant for a long time. The Operations Manager has been acting as

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Description	Actions to address
	Senior Manager – this position has been vacant for four years. Coordinator Interpretive Centre – it has been vacant since 2008
Discipline	Disciplinary processes are too slow. There needs to be more stringent measures to discipline staff

Table 152: Challenges: Congo Caves

d) Employees: Congo Caves

The following table indicates the staff composition for this division:

Employees: Congo Caves				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	8	8	0	0
4 - 6	5	5	0	0
7 - 9	2	2	0	0
10 - 12	16	13	3	18
13 - 15	2	1	1	50
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	33	29	4	12
Employees and post numbers are as at 30 June				

Table 153: Employees: Congo Caves

e) Capital: Congo Caves

The following table indicate the capital expenditure for this division:

Capital Expenditure 2018/19: Congo Caves					
Capital Projects	2018/19				
	R'000				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
Telemetry system	100	100	0	100	100
Electrical Equipment	100	100	75	24	75
Upgrading Congo Caves building	0	1 252	1 635	(383)	1 635
Upgrading Congo Caves building	0	1 500	911	588	1 500
Communication system	65	65	0	65	65
Upgrading Caves buildings	0	400	0	400	400
Total	2 715	3 417	2 623	793	3 775

Table 154: Capital Expenditure: Congo Caves

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3.9 Component H: Corporate Policy Offices and Other Services

3.9.1 Executive and Council

a) Highlights: Executive and Council

The table below specifies the highlights for the year:

Highlights	Description
Strategic service delivery session between Senior Management and Executive Mayoral Committee	A strategic service delivery session was conducted in the beginning of January 2019 addresses all service delivery related issues
Establishment of Customer Care Centre	Council introduced the Customer Care Centre to facilitate and resolve service delivery challenges. The service is currently running during the day, but we are working to implement a 24-hour service
Bi-monthly Portfolio Committee Meetings	The introduction of the bi-monthly Portfolio Committee meeting system is scheduled for August 2019 and will contribute to a platform where Councillors and Officials thoroughly interrogate monthly reports per directorate
Implementation of a Paperless System/ Go Green	The Municipality is in an advance stage to implement the Paperless System/ Go Green. The launching of the said system is scheduled for Monday, 02 September 2019. Councillors will from the said date receive agendas electronically
Management of Council resolutions	Council resolutions will from now on be distributed via the Decision Management App on Collaborator. This will ensure the quick implementation thereof and the reports to Council
Approval of Council related policies/ plans	The approval of Council related policies/ plans contributed that the administration is managed not only by legislation but also through approved Council related policies/ plans

Table 155: Executive and Council Highlights

b) Challenges: Executive and Council

The table below specifies the challenges for the year:

Description	Actions to address
Ward Committees	The Ward Committee Policy was approved on 29 June 2018. Ward Committee meetings are being held on a bi-monthly basis and is functioning per the approved meeting schedule. Ward Feedback meetings and vacancies on ward committees are current a challenge and need to be addressed. The non-availability of community members to serve on the ward committees' structures in some wards contribute to this situation. These challenges can be address by regular feedback on ward committee issues from departments with the municipality. The possible increase in the stipend of ward committees might address the vacancy issue
Public Participation Unit	The Public Participation Policy was approved on 29 June 2018. The little or non-funds available to roll out effective Public Participation programs/ activities together with shortage of personnel which will only be addressed after the organisational re-design work-study are some of the challenges experienced with the said unit

Table 156: Executive and Council Challenges

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c) Employees: Office of the MM

The following table indicates the staff composition for this division:

Employees: Office of the MM				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	1	1	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
NS	1	1	0	0
Total	2	2	0	0
Employees and post numbers are as at 30 June				

Table 157: Employees: Office of the MM

Employees: Internal Audit				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	1	0	1	100
13 - 15	1	1	0	0
16 - 18	1	1	0	0
19 - 20	0	0	0	0
Total	3	2	1	33
Employees and post numbers are as at 30 June				

Table 158: Employees: Internal Audit

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Employees: Risk Management				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	0	0	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	1	1	0	0
Employees and post numbers are as at 30 June				

Table 159: Employees: Risk Management

Employees: Dysselsdorp				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	0	0	0	0
13 - 15	1	0	1	100
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	1	0	1	100
Employees and post numbers are as at 30 June				

Table 160: Employees: Dysselsdorp

Employees: De Rust				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	0	0	0	0

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Employees: De Rust				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
13 - 15	1	0	1	100
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	1	0	1	100
Employees and post numbers are as at 30 June				

Table 161: *Employees: De Rust*

Employees: Performance, Monitoring & Evaluation				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	5	0	5	100
10 - 12	0	0	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	6	1	5	83
Employees and post numbers are as at 30 June				

Table 162: *Employees: Performance, Monitoring & Evaluation*

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Employees: Political Office (Office of the Executive Mayor)				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	1	1	0	0
10 - 12	3	0	3	100
13 - 15	1	0	1	100
16 - 18	0	0	0	0
19 - 20	0	0	0	0
NS	1	1	0	0
Total	6	2	4	67
Employees and post numbers are as at 30 June				

Table 163: Employees: Political Office: Office of the Executive Mayor

Employees: Political Office (Office of the Deputy Mayor)				
Job Level	2018/19			
	Posts	Employees	Vacancies (fetime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	1	1	0	0
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
NS	1	1	0	0
Total	2	2	0	0
Employees and post numbers are as at 30 June				

Table 164: Employees: Political Office: Office of the Deputy Mayor

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Employees: Political Office (Office of the Speaker)				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	0	0	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
NS	1	1	0	0
Total	1	1	0	0
Employees and post numbers are as at 30 June				

Table 165: Employees: Political Office: Office of the Speaker

3.9.2 Strategic Services

a) Introduction to Strategic Services

The Department Strategic Services focus on alignment of municipal programmes and projects in the different departments in line with national and provincial key priorities. In addition, the department takes overall responsibility for management and implementation of LED, IDP, public participation, international relations, communications and town and regional planning, as well as social programs. The coordination of these functions must be developed through a long-term strategy which this department is also responsible for.

b) Highlights: Strategic Services

The table below specifies the highlights for the year:

Highlight	Description
Review of long-term strategic plan	The municipal long-term strategy, Vision 2030, was successfully reviewed with all important role players
Agri-Park and agriculture development	A task team was established to identify and implement projects
Development of specific strategies integrating municipal services and future planning	Coordinated the process and established a task teams to develop a development plan for the review of the SDF
Marketing and branding of the municipal area as investment hub	Represented the Municipality as an investment hub at various platforms
Development and positioning of Congo Caves as strategic asset	The Municipality coordinated with the Department of Economic Development to provide funding for upgrades at the Congo Caves and to position the caves as a strategic asset. This included the development of a business module on the future operations of the caves

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Highlight	Description
Development of Oudtshoorn Aerodrome as strategic asset	Funding has been secured from the Department of Economic Development to upgrade the aerodrome

Table 166: Highlights: Strategic Services

c) Challenges: Strategic Services

The table below specifies the challenges for the year:

Description	Actions to address
Lack of funding to implement projects and programs	Budgetary provision must be made and funding sourced to implement projects and programs
Limited qualified skills labour and human resources available	The current organisational structure must be reviewed to provide for qualified staff and additional resources to manage projects and programs

Table 167: Challenges: Strategic Services

Employees: Strategic Services

The following table indicates the staff composition for this division:

Employees: Director Strategic Services				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	2	2	0	0
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	1	1	0	0
19 - 20	0	0	0	0
NS	1	0	1	100
Total	4	3	1	25
Employees and post numbers are as at 30 June				

Employees: Director Strategic Services

Employees: Public Relations & Communication				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	2	2	0	0

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Employees: Public Relations & Communication				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
10 – 12	2	2	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	5	5	0	0
Employees and post numbers are as at 30 June				

Table 168: *Employees: Public Relations & Communication*

Employees: Integrated Development Planning				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	1	1	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	2	2	0	0
Employees and post numbers are as at 30 June				

Table 169: *Employees: Integrated Development Planning*

3.9.3 Financial Services

a) *Introduction to Financial Services*

The Financial Department is responsible for management of financial affairs of the Municipality, which includes revenue, expenditure, assets and liability management, budgeting, financial reporting and Supply Chain Management (SCM), as well as Information and Communication Technology (ICT) management of the Municipality.

Key Performance Areas of this section include:

- Annual budgeting
- Annual financial statements and reporting
- Credit control and debt collection
- Indigent management

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- SCM
- Ensure compliance to MFMA
- Develop and implement sound financial policies and procedures
- Provide ICT support
- Insurance management
- Investment management
- Expenditure management
- Maintain a GRAP compliant asset register

The Financial Services Directorate is split into five sections:

- Revenue
- Expenditure
- Budget and Treasury Office
- ICT
- SCM

b) *Highlights: Financial Services*

- The table below specifies the highlights for the year:

Highlights	Description
Financial Recovery progress	Further progress was made with the financial recovery process. Cash and cash equivalents have increased with R52.1 million for the period ended 30 June 2019. The liquidity position has further improved year-on-year with all unspent grants being cash backed and surplus cash being available to cover short term operational requirements
Debtor collection rate over 96%	The debtor collection rate has increased from 86% three years ago to exceed 96.5% upon the conclusion of the 2018/19 financial year. This is indicative of the effort of the revenue section to ensure that all debts due are collected
Creditors Management	Payment of all arrear debt owed to creditors have been finalized. All creditors are currently paid in accordance with the legislative requirement of 30 days from invoice
Capital spending	The performance on capital spending have improved significantly from prior financial years. All grant funding was either spent or have been committed firmly through multi-year capital appropriations. Although the capital spending percentage is reflected as 59.9% it must be emphasized that the ratio is skewed by the Disaster funding for the Blossoms water augmentation project that was received during April 2019 as well as the infrastructure project at Dysselsdorp that could not commence until the town planning approval was granted. If the aforementioned projects are excluded a spending of 85% would have been realised
ICT	The ICT section have continued with the replacement of essential computer and network resources. In total 60 more computers have been replaced with a further rollout planned for the 2019/20 financial year. Networks upgrades are continuing and a 20 Mbps fibre connection is established to enhance connectivity and data services

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Highlights	Description
Asset management	The municipal asset register was again revisited with special focus on the correction of the investment properties as well as land and building assets. A complete movable asset count was again done to further enhance the controls over municipal assets

Table 170: Financial Services Highlights

c) Challenges: Financial Services

- The table below specifies the challenges for the year:

Description	Actions to address
SCM capacity	The SCM section is still under-capacitated and the municipality finds it extremely difficult to attract suitably qualified and experienced supply chain management staff. The rollout of multi-year contracts for the provision of goods and services are continuing to speed up operations through the reduction in procurement timeframes
mSCOA Implementation	The mSCOA reform is the biggest reform impacting on municipal finance and related processes since the implementation of the MFMA. The change management processes are continuing and most 3 rd party systems are either integrated or in the process of being integrated. The mSCOA classification framework remains a challenge and continued support is given to departments to ensure that all staff are familiarised with the requirements thereof
Human resource capacity	Appropriately qualified staff remains a huge challenge and various recruitment processes have again failed to attract the appropriate candidates for senior finance positions. The position is further exacerbated by the moratorium that the council has placed on the filling of positions, this moratorium makes it difficult to ensure that all internal controls and mechanisms are strictly applied and is exposing the municipality to a variety of risks. Expert skills and technical are being developed to enhance internal capacity
Drought	The continued drought is continuing to impact negatively on water revenue streams, a reduction in consumption as a result of higher drought tariffs, as well as saving measures from customers are negatively affecting the revenue streams in respect of water
Economic stagnation	The lack of growth in the local economy is negatively impacting on the growth in revenue of the municipality, the annual growth in the customer base is negligible and is placing huge pressure on the revenue streams. The municipality must become development friendly to ensure development and economic empowerment of its citizens if financial sustainability is to be achieved

Table 171: Financial Services Challenges

d) Employees: Financial Services

The following table indicates the staff composition for this division:

Employees: Office of the CFO				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0

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Employees: Office of the CFO				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
4 - 6	0	0	0	0
7 - 9	1	1	0	0
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
NS	1	1	0	0
Total	2	2	0	0
Employees and post numbers are as at 30 June				

Table 172: *Employees: Office of the CFO*

Employees: Revenue				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	28	24	4	14
7 - 9	5	5	0	0
10 - 12	4	4	0	0
13 - 15	3	1	2	66
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	40	34	6	15
Employees and post numbers are as at 30 June				

Table 173: *Employees: Revenue*

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Employees: Expenditure				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 – 3	0	0	0	0
4 – 6	2	2	0	0
7 – 9	7	6	1	14
10 – 12	2	1	1	50
13 – 15	2	2	0	0
16 – 18	0	0	0	0
19 – 20	0	0	0	0
Total	13	11	2	15
Employees and post numbers are as at 30 June				

Table 174: *Employees: Expenditure*

Employees: Financial Accounting				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 – 3	0	0	0	0
4 – 6	1	1	0	0
7 – 9	2	2	0	0
10 – 12	1	1	0	0
13 – 15	3	1	2	66
16 – 18	1	1	0	0
19 – 20	0	0	0	0
Total	8	6	2	25
Employees and post numbers are as at 30 June				

Table 175: *Employees: Financial Accounting*

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Employees: Supply Chain Management				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	5	4	1	20
7 - 9	5	2	2	40
10 - 12	3	2	1	33
13 - 15	0	0	0	0
16 - 18	1	1	0	0
19 - 20	0	0	0	0
Total	14	9	4	29
Employees and post numbers are as at 30 June				

Table 176: *Employees: Supply Chain Management*

3.9.4 Human Resource Services

a) *Introduction to Human Resource Services*

The primary objective of Human Resource Services is to render an innovative service that adheres to all legislative and related policies in order to addresses both skills development and all other related administrative functions.

b) *Highlights: Human Resource Services*

The table below specifies the highlights for the year:

Highlights	Description
Effective networking to render constructive employee wellness services	<ul style="list-style-type: none"> Raised the bar on visibility for constructive and accessible Employee Wellness services, (i.e. Counselling, Debriefing, Bereavement, and referrals etc.) for our fellow colleagues, to enhance productivity Effectively oversee the roles and responsibilities of the Employee Wellness committee, via training and regular meetings. Liaise effectively with internal & external role-players, for interaction, referrals and specialist services and the success during Employee Wellness events
Hosted a successful outdoor wellness day	<ul style="list-style-type: none"> The elements of the event were on budgeting, planning, organizing, implementation, monitoring, evaluation, and reporting of the project The focus was on Emotional and Physical wellness of our staff, in order to encourage wellness; ensure a sense of belonging, secure fulfilment and enhance productivity
Took part in the Oudtshoorn Cancer Relay for Life annual event	<ul style="list-style-type: none"> Our Employees took part in this event in solidarity of our colleagues who are cancer survivors We do so in raising the bar on physical and emotional wellness and share the flame of hope

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Highlights	Description
Hosted a successful Financial wellness event	<ul style="list-style-type: none"> The elements of the event were on budgeting, planning, organising, implementation, monitoring, evaluation, and reporting of the project The focus was on sharing important info regarding financial management, budgeting and the importance of a will
Hosted a successful Women's day event	<ul style="list-style-type: none"> The elements of the event were on budgeting, planning, organizing, implementation, monitoring, evaluation, and reporting of the project The focus was on gender equity to encourage women through motivational activities and speeches, by fellow colleagues
Hosted a successful Indoor wellness day	<ul style="list-style-type: none"> The elements of the event were on budgeting planning, organizing, implementation, monitoring, evaluation, and reporting of the project The focus was on physical wellness, especially on personal health. The aim was to raise awareness on self-care in order to be healthy, experiencing fulfilment and be more productive
Personal development of Employee Wellness staff	<ul style="list-style-type: none"> The Employee Wellness Practitioner successfully complete the MFMA Minimum Competency course via University Stellenbosch The Employee Wellness Practitioner attend the 20th Annual Employee Assistance Professionals Association of South Africa (EAPA-SA) & Pan African Edu-week in Port Elizabeth and earn 16 Professional Continuous Development points as required by SAQA The HR Clerk for Employee Wellness program enroll in a Counselling course and attend a Gender Mainstreaming Course. In order to fulfil its mandate, the Employee Wellness office requires updated industry developments in order to implement relevant programmes.
Commitment	<ul style="list-style-type: none"> The level of commitment from most officials through attendance training courses and completion of PEO'S
Newly approved Recruitment and Selection Policy	<ul style="list-style-type: none"> Council approved an all-encompassing Recruitment and Selection Policy for permanent, temporary, students and interns
Approved EE Plan	<ul style="list-style-type: none"> Employment Equity goals are now being determined per occupational categories

Table 177: Human Resource Services Highlights

c) Challenges: Human Resource Services

The table below specifies the challenges for the year:

Description	Actions to address
Budget constraints	To measure the impact of the program, it is important to have a proper process or method to determine the return on investment, for Oudtshoorn Municipality. Such programs are costly
Lack of proper communication	<ul style="list-style-type: none"> The entire staff have to embrace the wellness/EAP program, and urge for the buy-in; of all Supervisors Minimize all forms of stigmatization through continuous and effective awareness campaigns. Streamline HR activities for better cooperation, give stature to the HR Strategy and make bigger impact on HR of Oudtshoorn Municipality at large Raise the bar on employee wellness services
Communication	Communication between line managers and employees that does not have access to emails or telephones was very poor thus we need to

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Description	Actions to address
	address ways to encourage them to improve communication to lower level employees or find other ways to do it ourselves

Table 178: Human Resource Services Challenges

d) Employees: Corporate Services

The following table indicates the staff composition for this division:

Employees: Office of the Director Corporate Services				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	1	1	0	0
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
NS	1	1	0	0
Total	1	1	0	0
Employees and post numbers are as at 30 June				

Table 179: Employees: Office of the Director Corporate Services

Employees: Administration & Archives				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	5	4	1	20
7 - 9	2	2	0	0
10 - 12	2	2	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	10	9	1	10
Employees and post numbers are as at 30 June				

Table 180: Employees: Administration & Archives

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Employees: Human Resources				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	3	3	0	0
7 - 9	4	4	0	0
10 - 12	6	6	0	0
13 - 15	2	2	0	0
16 - 18	1	0	1	100
19 - 20	0	0	0	0
Total	16	15	1	6
Employees and post numbers are as at 30 June				

Table 181: *Employees: Human Resources*

Employees: Council Support				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	1	1	0	0
7 - 9	3	3	0	0
10 - 12	1	1	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	4	4	0	0
Employees and post numbers are as at 30 June				

Table 182: *Employees: Council Support*

3.9.5 Information and Communication Technology (ICT) Services

a) *Introduction to ICT Services*

This Section forms part of the Finance Directorate and manage, install, repair and support all aspects of information and communication technology in the Municipality. This include computer hardware and software, network infrastructure and wireless communication. Currently the section has six staff members to deliver the services. We manage high sites, wireless clients (remote offices), desktops, laptops, printers and Voice Over Internet Protocol (VOIP) communications. There are 300 active network users. Software systems in use are the financial system, correspondence and customer care, email and internet

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access, pre-paid vending, library functions, payroll, human resources, building control, cemetery management, geographical information system and hosting of the Municipality's website.

b) Highlights: ICT Services

The highlights for the year under review were as follows:

Highlights	Description
Communications	Remote offices communication has been upgraded for better and faster data transfers to improve service delivery to our network users
SAGE People	The Payroll and HR Systems has been upgraded with more modules and data security
Prepaid	The prepaid system has been moved into the cloud
Computer Replacement Program	A total of 130 desktops and laptops with Windows XP were replaced in the last 3 years. Users now have the latest Windows and Office software available
Data security	A new backup and replication solution have been introduced to have a third backup, made every day and to replicate to the Disaster Recovery Site (DRS)

Table 183: Highlights: ICT Services

c) Challenges: ICT Services

Challenges that are experienced include the following:

Description	Actions to address
Lack of funding	Additional funding must be source
Software challenges	Ongoing integration challenges because of system changes

Table 184: Challenges: ICT Services

d) Service Delivery Levels

Details	2017/18	2018/19
Provide ICT support to all municipal departments by attending to requests within 4 working days	98%	100%
Total number of support requests and enquiries	2 132	2 879
Total number of support requests and enquiries solved within 4 days	2 129	2 875

Table 185: Service Data for ICT Services

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e) Employees: ICT Services

The following table indicates the staff composition for this division:

Employees: ICT Services				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	1	1	0	0
7 - 9	0	0	0	0
10 - 12	4	3	1	25
13 - 15	1	1	0	0
16 - 18	1	1	0	0
19 - 20	0	0	0	0
Total	7	6	1	14
Employees and post numbers are as at 30 June				

Table 186: Employees: ICT Services

f) Capital: ICT Services

The following table indicate the capital expenditure for this division:

Capital Expenditure 2018/19: ICT Services					
Capital Projects	2018/19				
	R'ooo				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
Computer and software	2 643	2 643	2 643	0	2 643
Total	2 643	2 643	2 643	0	2 643

Table 187: Capital Expenditure: ICT Services

3.9.6 Legal Services

a) Introduction to Legal Services

The legal section currently comprises of the Legal Manager, as well as a Legal Advisor. The section offers *inter alia* the following legal services:

- 1) Provides effective legal support to various departments, Council and committees
- 2) Liaise with outside attorneys and advocates
- 3) The office also liaises with insurance
- 4) Conducts research and co-ordinates all legal projects of the Municipality

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- 5) Responsible for all civil litigation against the Council
- 6) Deals and handles policies and by-laws
- 7) Responds to all applications made by members of the public in terms of Promotion of Access to Information Act (PAIA)

b) *Highlights: Legal Services*

The highlights for the year under review were as follows:

Highlights	Description
Liquor Trading Days & Hours By-Law	The Liquor Trading Days & Hours By-law was approved by the Council and the Municipality is currently waiting for promulgation by the provincial government
Process insurance claims	The Finance Department interpreted and applied with regards to the liability of the Council in different claims lodged
Legal tender	A tender for the panel of attorneys to assist Council has been compiled
Prevention of Illegal Eviction (PIE)	Court applications has been received for the evictions of tenants and the Municipality must provide alternative accommodation as required by the law

Table 188: *Highlights: Legal Services*

c) *Challenges: Legal Services*

Challenges that are experienced includes the following:

Description	Actions to address
Lack of training	Budgetary provision must be made to further capacitate the staff and to address training needs
Unfunded administrative assistant post	Budgetary provision must be made to fund the administrative assistant post
Lack of a legal library	Budgetary provision must be made to fund the administrative assistant post

Table 189: *Challenges: Legal Services*

d) *Service Delivery Levels*

Details	2017/18	2018/19
Attending to requests for information applications made by members of the public is a form of service delivery	Yes	Yes

Table 190: *Service Delivery Levels*

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e) *Employees: Contracts & Legal Services*

The following table indicates the staff composition for this division:

Employees: Council Support				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	2	2	0	0
13 - 15	0	0	0	0
16 - 18	1	1	0	0
19 - 20	0	0	0	0
Total	3	3	0	0
Employees and post numbers are as at 30 June				

Table 191: *Employees: Contracts and Legal Services*

3.9.7 Procurement Services

a) *Introduction to Procurement Services*

In this 2018/19 financial summary overview the following will be highlighted;

- Actions considered as important highlights and positive contributions to SCM Unit and the service delivery initiatives amongst others for the year ended
- Areas considered still posing a challenge in executing the SCM duties efficiently
- Provision of statical information regarding procurement processes and deviations for the 2018/19 financial year end

b) *Highlights: Procurement Services*

The table below specifies the highlights for the year:

Highlights	Description
Promun Electronic requisition procurement system	As from January 2019 new electronic requisition system was implemented and will be rolled out to the rest of the Municipality
Reduction in the amount of deviations	For the financial year 2018/2019 the municipality only approved deviations to the amount of R5 793 122
Multiple 3-year tenders awarded	During the 2018/19 financial year multiple 3-year tenders were awarded to ease the operations of the municipality and to improve service delivery

Table 192: *Procurement Services Highlights*

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c) Challenges: Procurement Services

The table below specifies the challenges for the year:

Description	Actions to address
Different legislative interpretations	Instruction notes from National Treasury on the interpretations of the legislation to provide clarity on technically complex matters must be obtained.
Moratorium on filling of critical SCM positions	Lifting of moratorium and urgent filling of the vacancies advertised in the SCM section is of essence to mitigate all SCM risks.
Capacitation of the bid specification committee and evaluation committee	Training by Provincial Treasury on bid specification and bid evaluation committee members.
Implementation of infrastructure procurement policy	High level training by Provincial Treasury of technical services officials in the new infrastructure procurement standards

Table 193: Procurement Services Challenges

d) Service Statistics for Procurement Services

The table below specifies the service statistics for the year:

Description	Total	Monthly Average	Daily Average
Requests processed	7 826	652.17	29.64
Orders processed	7 826	652.17	29.64
Requests cancelled or referred back	811	67.58	3.07
Extensions	8	0.67	0.03
Bids received (number of documents)	467	38.92	1.77
Bids awarded	28	2.33	0.11
Bids awarded ≤ R200 000	86	7.17	0.33
Appeals registered	2	0.17	0.01
Successful appeals	0	0	0

Table 194: Service Statistics for Procurement Division

e) Details of Deviations for Procurement Services

Type of deviation	Value of deviations (R)	Percentage of total deviations value (%)	Value of deviations (R)	Percentage of total deviations value (%)
	2017/18		2018/19	
Clause 36(1)(a)(i)- Emergency	13 113 496	79%	1 320 487	22%
Clause 36(1)(a)(ii)- Sole Supplier	115 492	0%	1 383 230	23%
Clause 36(1)(a)(v)- Impractical / impossible	3 261 843	21%	3 089 405	53%

Table 195: Statistics of Deviations from the SCM Policy

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3.10 Component I: Service Delivery Priorities for 2019/20

The main development and service delivery priorities for 2019/20 forms part of the Municipality's Top Layer SDBIP for 2019/20 and are indicated in the table below as per strategic objective:

3.10.1 An ethical and transparent local government that is responsive to the needs of the community and encourage public participation

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL15	Review the Fraud Prevention Plan and submit to Council for approval by 30 June 2020	Fraud Prevention Plan reviewed and submitted to Council for approval	All	1
TL16	Review the Performance Management Framework and submit to Council for approval by 31 May 2020	Framework reviewed and submitted to Council for approval	All	1
TL17	Compile and submit the three year Risk Based Audit Plan (RBAP) to the Audit Committee by 30 June 2020	RBAP compiled and submitted to the Audit Committee	All	1
TL18	Review the five year Enterprise Risk Management Strategic Plan (inclusive of implementation plan) and submit to Council for approval by 30 June 2020	Strategy (inclusive of implementation plan) reviewed and submitted to Council	All	1
TL26	Develop an Events Management Policy and submit to the Portfolio Committee for approval by 30 June 2020	Events Management Policy submitted for approval	All	1
TL28	Limit unaccounted electricity to less than 13% by 30 June 2020 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl Free basic electricity)) / Number of Electricity Units Purchased and/or Generated} X 100	% unaccounted electricity by 30 June 2020	All	13.00%
TL30	95% Water quality level achieved in terms of e-coli tests conducted	% water quality level achieved	All	95.00%
TL54	Limit vacancy rate to less than 20% of budgeted post by 28 June 2020 [(Number of funded posts vacant / number of funded posts) x100]	% Vacancy rate	All	20.00%
TL59	Develop an E-learning Centre in Dysselsdorp by 30 June 2020	E-learner Centre developed	10	1
TL60	Establish an Art Academy at Toekomstus by 30 June 2020	Art Academy established	6	1
TL61	Implement stage 1 of the Vision 2030 strategic development plan by 30 June 2020	Stage 1 of the Vision 2030 strategic development plan implemented	All	1
TL62	Upliftment of small local contractors through utilization of municipal supplier database	Percentage of formal tenders awarded to main contractors where they subcontract with local contractors	All	30.00%
TL63	Upliftment of local SMME's through utilization of municipal supplier database	Percentage of orders from quotations awarded to Local SMME's	All	30.00%

Table 196: An ethical and transparent local government that is responsive to the needs of the community and encourage public participation

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3.10.2 To achieve financial sustainability and strengthen municipal transformation and development

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL5	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2020 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Re	% of debt coverage	All	16.60%
TL6	Financial viability measured in terms of the outstanding service debtors as at 30 June 2020 ((Total outstanding service debtors/ revenue received for services)X100)	% of outstanding service debtors (total outstanding debtors refers to total net debtors)	All	9.80%
TL7	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2020 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl	Number of months it takes to cover fix operating expenditure with available cash	All	1.2
TL8	Achieve a debtor payment percentage of 96% as at 30 June 2020 {(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100}	% debtor payment achieved	All	95.00%
TL14	The percentage of the municipal capital budget spent on capital projects as at 30 June 2020 {(Actual amount spent on capital projects /Total amount budgeted for capital projects)X100}	% the capital budget spent on capital projects as at 30 June 2020	All	95.00%
TL52	Number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan during the 2019/20 financial year	Number of people employed in the three highest levels of management	All	1
TL53	Spend 0,3% of a municipality's personnel budget on implementing its workplace skills plan by 30 June 2020 [(Actual total training expenditure divided by total personnel budget) x100]	% of the personnel budget spent	All	0.30%
TL55	Obtain an unqualified audit opinion for the financial year	Unqualified audit opinion obtained	All	1

Table 197: To achieve financial sustainability and strengthen municipal transformation and development

3.10.3 To create sustainable integrated human settlements and safe neighbourhoods where communities can prosper

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL9	Construct 332 top structure in Rosevalley by 30 June 2020	Number of top structures constructed	6	332
TL10	Upgrade 100 sites in Dysselsdorp by 30 June 2020	Number of sites upgraded with access to services	All	100

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Ref	KPI	Unit of Measurement	Wards	Annual Target
TL11	Build 32 BNG houses in Bongoletu/Bridgton by 30 June 2020	Number of BNG houses built	All	32
TL12	Replace mud houses in Bongoletu by 30 June 2020	Number of mud houses replaced with standard brick houses	All	9
TL13	Upgrade 30 houses in Bongoletu by 30 June 2020	Number of houses upgraded where existing houses have aged and have structural issues to bring the house to acceptable living standard	All	30
TL21	Spend 95% of the approved project budget for the upgrade of the Bongoletu Sport Grounds by 30 June 2020 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spend	8	95.00%
TL22	Upgrade the traffic offices in Oudtshoorn by 30 June 2020	Project completed	1	1
TL23	Construct an animal pound by 30 June 2020	Project completed	12	1
TL56	Construct 100 top structure in Dysseldorp by 30 June 2020	Number of top structures constructed	All	100
TL57	Upgrade 100 sites at GG Kamp, Black Joint & Kanaal by 30 June 2020	Number of sites upgraded with access to services	8	100
TL58	Construct 200 GAP Houses in the Greater Oudtshoorn by 30 June 2020	Number of Gap Houses constructed	All	200

Table 198: To create sustainable integrated human settlements and safe neighbourhoods where communities can prosper

3.10.4 To promote social, rural and spatial economic development

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL20	Construct the Rosevalley Library by 30 June 2020	Project completed	6	1
TL27	Develop an Arts and Culture Policy and submit to the Portfolio Committee for approval by 30 June 2020	Arts and Culture Policy submitted	All	1
TL29	Limit unaccounted water to less than 25% by 30 June 2020 {(Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold (incl free basic water) / Number of Kiloliters Water Purchased or Purified }x100}	% unaccounted water by 30 June 2020	All	25.00%
TL31	Create temporary jobs - FTE's in terms of EPWP by 30 June 2020 (Person days / FTE (230 days))	Number of FTE's created by 30 June 2020	All	120

Table 199: To promote social, rural and spatial economic development

3.10.5 To provide basic services to all residents in an environmentally sustainable manner

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL1	Provide subsidies for free basic water to indigent households as at 30 June 2020	Number of indigent households receiving subsidies for free basic water as per PROMUN financial system	All	6 500

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Ref	KPI	Unit of Measurement	Wards	Annual Target
TL2	Provide subsidies for free basic electricity to indigent households(excluding Eskom supply area) as at 30 June 2020	Number of indigent households receiving subsidies for free basic electricity as per PROMUN financial system	All	6 300
TL3	Provide subsidies for free basic sanitation to indigent households as at 30 June 2020	Number of indigent households receiving subsidies for free basic sanitation as per PROMUN financial system	All	6 400
TL4	Provide subsidies for free basic refuse removal to indigent households as at 30 June 2020	Number of indigent households receiving subsidies for free basic refuse removal as per PROMUN financial system	All	6 400
TL19	Provide refuse services to residential properties for which refuse is removed and billed for the service as at 30 June 2020	Number of residential properties which are billed for refuse removal as per the PROMUN financial system	All	14 321
TL24	Spend 95% of the approved project budget for the upgrade of the athletics track at De Jager Sport Complex by 30 June 2020	% budget spent	1	95.00%
TL25	Spend 95% of the approved project budget for the upgrade of the airport by 30 June 2020	% budget spent	1	95.00%
TL32	Provide piped water to residential properties which are connected to the municipal water infrastructure network and billed for the service as at 30 June 2020	Number of residential properties that receive piped water as per the Promun Financial System as at 30 June 2020	All	13 750
TL33	Provide electricity to residential properties connected to the municipal electrical infrastructure network and billed for the service as well as prepaid electrical metering as at 30 June 2020	Number of residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering) as per the Promun Financial System as at 30 June 2020	All	13 750
TL34	Provide sanitation services to residential properties which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets) as at 30 June 2020	Number of residential properties which are billed for sewerage in accordance with the Promun Financial System as at 30 June 2020	All	13 750
TL35	Spend 90% of the budget allocated for block paving of roads (upgrade surface standard) by 30 June 2020	% budget spent	All	90.00%
TL36	Spend 90% of the roads and stormwater maintenance budget by 30 June 2020 {(Actual expenditure on maintenance divided by the total approved maintenance budget)x100}	% of the roads and stormwater maintenance budget spent	All	90.00%
TL37	Spend 100% of approved project budget for the installation of stormwater drainage by 30 June 2020 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)x100}	% of the budget spent	All	100.00%
TL38	Spend 90% of the allocated budget for the resurface/rehabilitation of roads by 30 June 2020 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)x100}	% budget spent	All	90.00%
TL39	Spend 90% of the electricity maintenance budget by 30 June 2020 {(Actual expenditure on maintenance divided by the total approved maintenance budget)x100}	% budget spent	All	90.00%

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Ref	KPI	Unit of Measurement	Wards	Annual Target
TL40	Spend 90% of the water maintenance budget by 30 June 2020 {(Actual expenditure on maintenance divided by the total approved maintenance budget)x100}	% budget spent	All	90.00%
TL41	Submit licensing applications for all WWTW by 30 June 2020	Number of applications submitted	All	1
TL42	Report on the legislative requirements for the three landfill sites to the Portfolio Committee by 30 June 2020	Reports submitted	All	1
TL43	Spend 90% of the budget allocated to upgrade the stormwater system in De Rust by 30 June 2020 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)x100}	% budget spent	11	90.00%
TL44	Spend 90% of the budget allocated to upgrade the stormwater system in Dysselsdorp by 30 June 2020 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)x100}	% budget spent	All	90.00%
TL45	Spend 90% of the budget allocated to upgrade the Waste Water Treatment Works (WWTW) by 30 June 2020 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)x100}	% budget spent	All	90.00%
TL46	Spend 90% of the budget allocated for the upgrade of the Bulk Water Supply by 30 June 2020 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)x100}	% budget spent	All	90.00%
TL47	Spend 90% of the budget allocated for water pipe replacement by 30 June 2020 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)x100}	% budget spent	All	90.00%
TL48	Spend 90% of the capital budget allocated for the refurbishment of the reservoirs by 30 June 2020 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)x100}	% budget spent	All	90.00%
TL49	Spend 90% of the budget allocated for the De Rust new bulk line from the Huisrivier by 30 June 2020 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)x100}	% budget spent	11	90.00%
TL50	Spend 90% of the allocated budget for the KKRWSS refurbishment of network reservoir by 30 June 2020 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)x100}	% budget spent	All	90.00%
TL51	Replace 11kV core network by 30 June 2020	11Kv Core networks replaced	All	1

Table 200: *To provide basic services to all residents in an environmentally sustainable manner*

CHAPTER 4

4.1 National Key Performance Indicators – Municipal Transformation and Organisational Development

The following table indicates the Municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area – Municipal Transformation and Organisational Development.

KPA and Indicators	2017/18	2018/19
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a Municipality's approved employment equity plan	21	1
The percentage of a Municipality's budget actually spent on implementing its workplace skills plan	0.44%	0.30%

Table 201: National KPIs– Municipal Transformation and Organisational Development

4.2 Component A: Introduction to the Municipal Workforce

The Municipality currently employs **718** (excluding non-permanent positions) officials, who individually and collectively contribute to the achievement of Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

4.2.1 Employment Equity

The Employment Equity Act (1998) Chapter 3, Section 15(1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to: "Number of people from employment equity target groups employed in the three highest levels of management in compliance with a Municipality's approved employment equity plan".

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a) Employment Equity vs. Population

The table below indicates the employment equity vs. population:

African			Coloured			Indian			White		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
290.52	156	No	393.01	450	Yes	4.04	2	No	119.44	81	No

Table 202: 2018/19 EE Targets/Actual by Racial Classification

Male			Female			Disability		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
441.43	461	Yes	365.57	228	No	32.28	3	No

Table 203: 2018/19 EE Targets/Actual by Gender Classification

Description	African	Coloured	Indian	White	Total
Number for positions filled for the 2018/19 financial year	16	48	0	9	73
% for Positions filled	12%	84.22%	0%	24%	52%

Table 204: EE Population 2018/19

b) Specific Occupational Levels - Race

The table below categorise the number of employees by race within the occupational levels:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	0	3	0	2	0	0	1	0	6
Senior management	1	1	0	3	0	0	0	1	6
Professionally qualified and experienced specialists and mid- management	2	14	0	4	3	1	0	1	25
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	12	46	0	20	9	22	0	5	114
Semi-skilled and discretionary decision making	39	122	0	17	21	68	1	9	277
Unskilled and defined decision making	48	129	0	15	28	64	0	6	290
Total permanent	102	315	0	61	61	155	2	22	718

Table 205: Occupational Levels

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c) Departments - Race

The following table categorise the number of employees by race within the different departments:

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Municipal Manager	4	15	0	4	2	16	0	0	41
Corporate Services	5	13	0	1	3	12	0	0	34
Financial Services	7	13	0	13	5	28	1	6	73
Strategic & Social Development	5	11	0	1	4	5	0	4	30
Engineering Services	46	121	0	34	16	24	0	1	242
Community Services	34	140	0	7	27	73	0	11	292
Human Settlements	2	1	0	0	2	1	0	0	6
Total permanent	103	314	0	60	59	159	1	22	718

Table 206: Department – Race

d) Trade Union Membership

The following table provides information on the trade union membership of the employees of the Municipality:

Union	Number of members	% of Total Compliment	Number of members	% of Total Compliment
	2017/18		2018/19	
Samwu	217	19%	243	31%
IMATU	598	54%	478	60%
MATUSA	185	17%	18	2%
Non-members	113	10%	55	7%
Double membership	0	0%	0	0%
Total	1 113	100%	794	100%

Table 207: Trade Union Membership

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4.2.2 Vacancy Rate

The approved organogram for the municipality had 1 240 posts for the 2018/19 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. 521 posts were vacant at the end of 2018/19, resulting in a vacancy rate of 42.01%.

However, the number of **funded** vacant posts were 105 as at 30 June 2019. Resulting in a total **funded** vacancy rate of 15.25% for the 2018/19 financial year.

Total number of **funded** posts vacant: 105

Total number of funded posts: 708

(Number of funded post vacant)

105

----- x 100 = 15.25%

(Total number of funded post)

708

Below is a table that indicates the vacancies (as per organogram) within the Municipality:

Per Post Level		
Level	Filled	Vacant
MM & MSA Section 57 & 56	6	1
Middle management	6	2
Professionals	25	20
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	114	48
Unskilled and defined decision making	290	111
Semi-skilled and defined decision making	277	135
Non- permanent employees	13	204
Total	731	521
Per Functional Level		
Functional area	Filled	Vacant
Office of the Municipal Manager	41	17
Corporate Services	34	2
Financial Services	73	16
Strategic & Social Development	30	6
Engineering Services	242	130
Community Services	292	112
Human Settlements	6	34
Non- permanent employees	13	204

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Per Post Level		
Level	Filled	Vacant
Total	731	521

Table 208: Vacancy Rate per Post and Functional Level

4.2.3 Staff Turnover Rate

A high staff turnover may be costly to a Municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. Below is a table that shows the staff turnover rate within the Municipality. The staff turnover rate shows a decrease from 4.18% in 2017/18 to 3.48% in 2018/19.

The table below indicates the staff turnover rate over the last two years:

Financial year	Total no appointments at the end of each Financial Year	New appointments	No Terminations during the year	Staff Turnover Rate
2017/18	177	177	27	4.18%
2018/19	73	73	25	3.48%

Table 209: Turnover Rate

4.3 Component B: Managing the Municipal Workforce

Managing the municipal workforce refers to analysing and coordinating employee behavior.

4.3.1 Injuries

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a Municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The injury rate shows a decrease from 131 employees injured in the 2017/18 financial year against 115 employees in the 2018/19 financial year.

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The table below indicates the total number of injuries within the different directorates:

Directorates	2017/18	2018/19
Office of the Municipal Manager	2	1
Corporate Services	2	0
Financial Services	6	7
Strategic & Social Development	0	0
Community Services	70	71
Engineering Services	51	36
Human Settlements	0	0
Total	131	115

Table 210: Injuries

The table below indicates the incidence frequency rate for 2018/19:

Description	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Accumulative injury rate	7	2	10	12	10	5	16	11	12	10	4	4
Vehicle related incidents	0	3	0	0	0	0	2	0	0	5	2	0

Table 211: Incidence Frequency Rate

4.3.2 Sick Leave

The number of sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of employees that have taken sick leave during the 2018/19 financial year shows a decrease when compared with the 2017/18 financial year. The new 3-year sick leave cycle started on 1 January 2016.

The table below indicates the total number of sick leave days taken within the different directorates:

Department	2017/18	2018/19		
		Sick Leave	Unpaid Leave	Total
Office of the Municipal Manager	475	426	0	426
Corporate Services	770.37	568.24	0	568.24
Financial Services	972	656.74	32	688.74
Community Services	3 036.09	3 447	26	3 473
Technical Services	2498	1 723.6	162	1 885.6
Strategic and Social Services	354	113	0	113
Total	8 105.46	6 937.58	220	7 154.58

Table 212: Sick Leave

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4-3-3 Disciplinary Measures

a) *Disciplinary Cases per Directorate*

Directorate	Number of cases	
	2017/18	2018/19
Office of the Municipal Manager	1	3
Corporate Services	1	3
Financial Services	2	4
Community Services	11	35
Technical Services	10	31
Total	25	76

Table 213: *Disciplinary Cases Per Directorate*

b) *Outcome of Disciplinary Steps*

Type of outcome	Number	
	2017/18	2018/19
Counselling	1	4
Final warning	2	2
Written warning	11	9
Not guilty	0	0
Dismissal	4	5
Withdrawn (During hearing)	3 resignations 2 withdrawn	2 resignations 10 withdrawn
10 Days with suspension	0	1
5 Days with suspension	0	0
Pending	2	42
Suspensions	0	3

Table 214: *Outcome of Disciplinary Steps*

c) *Category of Disciplinary Offences per Charge*

Category	Number	
	2017/18	2018/19
Absenteeism	7	14
Alcohol/drugs	6	11
Intimidation	0	13
Poor work performance	0	0
Dishonesty	5	24

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Category	Number	
	2017/18	2018/19
Negligence	2	3
Poor conduct	3	13
Insubordination	2	5
Total	25	83
Number of category of offences vary from number of disciplinary cases as in some instances some individuals received more than one charge		

Table 215: *Category of Disciplinary Offences per Charge*

4.4 Component C: Capacitating the Municipal Workforce

Section 68(1) of the MSA states that Municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose the human resource capacity of a Municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998) and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

4.4.1 Skills Matrix

The table below indicates the number of employees that received training (skills programs, short courses, etc.) in the year under review:

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
MM and S57	Female	0	0
	Male	0	1
Legislators, senior officials and managers	Female	2	1
	Male	1	1
Associate professionals and technicians	Female	18	15
	Male	22	20
Professionals	Female	15	16
	Male	25	25
Clerks	Female	30	34
	Male	11	11
Service and sales workers	Female	32	32
	Male	47	47
Craft and related trade workers	Female	0	0
	Male	0	0
Plant and machine operators and assemblers	Female	0	0
	Male	15	15

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Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
Elementary occupations	Female	23	31
	Male	50	58
Sub total	Female	120	129
	Male	171	168
Total		291	297

Table 216: Skills Matrix

4.4.2 Training Interventions

The table below indicates the type of training interventions that was provided for employees trained:

Training intervention	Female				Male				Total
	A	C	I	W	A	C	I	W	
Minimum competency	1	5	0	1	2	9	0	1	19
Local government accounting	0	1	0	1	0	5	0	0	7
SALGA ICIP training councillors	1	3	0	0	1	2	0	0	7
SALGA MSEP training councillors	1	3	0	0	1	2	0	0	7
Water & waste water NQF 2	0	0	0	0	2	2	0	1	6
Road construction NQF 2	0	3	0	0	1	2	0	0	6
Road construction NQF 3	0	0	0	0	0	2	0	0	2
Registry clerk course	1	6	0	0	0	1	0	0	8
Cherry picker & crane operator training	0	0	0	0	4	11	0	0	15
First aid level 1,2 & 3	0	3	0	0	0	25	0	3	31
SANS 10142-2:2018	0	0	0	0	3	4	0	3	10
Operating regulations for high voltage systems (ORHVS)	0	0	0	0	3	7	0	4	14
Record management	2	5	0	0	2	3	0	0	12
Project management	2	3	0	0	4	5	0	1	15
Intermediate excel	2	15	1	2	0	5	0	1	26
Report writing & minute taking	2	7	0	0	4	1	0	0	14
Fire fighter 2	0	1	0	0	0	1	0	0	2
Hazmat awareness	0	5	0	0	1	9	0	0	15
Supervisory course	3	5	0	0	3	13	0	1	25
Equipment maintenance course chainsaw, brush cutter	0	0	0	0	0	13	0	2	15
Intermediate computer training	4	8	0	1	3	4	0	0	20
HRD for good municipal governance	0	0	0	0	0	2	0	0	2

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Training intervention	Female				Male				Total
	A	C	I	W	A	C	I	W	
Fire fighter level 1	0	1	0	0	0	4	0	0	5
Financial governance related training	0	0	0	0	0	1	0	1	2
MFMA GRAP CD(Online)	0	2	0	0	1	2	0	0	5
Annual budget training	0	1	0	0	0	0	0	0	1
Wireman's license	0	0	0	0	0	2	0	0	2
Groundsmen training	0	0	0	0	1	2	0	0	3
Contract management training	0	2	0	0	0	2	0	0	4
Total	19	77	1	5	36	141	0	18	297

Table 217: Training Interventions

4.4.3 Skills Development – Training Provided

The Skills Development Act (1998) and the MSA, require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1)(f) states that as head of administration the Municipal Manager is responsible for the management, utilization and training of staff.

Occupational categories	Gender	Training provided within the reporting period					
		Learnerships		Skills programmes & other short courses		Total	
		Actual	Target	Actual	Target	Actual	Target
MM and S57	Female	0	0	0	0	0	0
	Male	0	0	0	1	0	1
Legislators, senior officials and managers	Female	0	0	2	1	2	1
	Male	0	0	1	1	1	1
Professionals	Female	0	0	18	15	18	15
	Male	0	0	22	20	22	20
Technicians and associate professionals	Female	0	0	15	16	15	16
	Male	0	0	25	25	25	25
Clerks	Female	0	0	30	34	30	34
	Male	0	0	11	11	11	11
Service and sales workers	Female	0	0	32	32	32	32
	Male	0	0	47	47	47	47
Craft and related trade workers	Female	0	0	0	0	0	0
	Male	0	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0	0
	Male	0	0	15	15	15	15
Elementary occupations	Female	0	0	23	31	23	31

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Occupational categories	Gender	Training provided within the reporting period					
		Learnerships		Skills programmes & other short courses		Total	
		Actual	Target	Actual	Target	Actual	Target
	Male	0	0	50	58	50	58
Sub total	Female	0	0	120	129	120	129
	Male	0	0	171	168	171	168
Total		0	0	291	297	291	297

Table 218: Skills Development

4.4.4 Skills Development - Budget Allocation

The table below indicates that a total amount of R2 297 500 were allocated to the workplace skills plan and that 53% of the total amount was spent in the 2018/19 financial year:

Year	Total personnel budget	Total Allocated	Total Spend	% Spent
2017/18	231 483 409	2 202 404	1 661 222	75%
2018/19	253 530 000	2 297 500	1 235 547	53%

Table 219: Budget Allocated and Spent for Skills Development

4.4.5 Municipal Minimum Competency Course Status

In terms of Section 83(1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a Municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes-based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No Municipality or municipal entity may, with effect 1 January 2013 (exempted until 30 September 2015 as per Government Notice No. 179 of 14 March 2014), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

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The MMC -training course consists of 15 modules for most candidates and the status of the progress a is as follows:

Description	Total number of officials employed by Municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials				
Accounting officer	1	1	1	1
Chief financial officer	1	1	1	1
Senior managers	3	3	3	3
Any other financial officials	3	0	0	3
Supply Chain Management Officials				
Heads of supply chain management units	1	0	0	1
Supply chain management senior managers	0	0	0	0
Total	9	5	5	9

Table 220: MMC Course Status

4.5 Component D: Managing the Municipal Workforce Expenditure

Section 66 of the MSA states that the Accounting Officer of a Municipality must report to the Council on all expenditure incurred by the Municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as the Budget and Reporting Schedules SA22 and SA23.

4.5.1 Personnel Expenditure

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past two financial years and that the Municipality is well within the national norm of between 35 to 40%:

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	R'ooo	R'ooo	
2017/18	215 633	574 772	37%
2018/19	233 488	625 210	37%

Table 221: Personnel Expenditure

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Below is a summary of councillor and staff benefits for the year under review:

Financial year	2017/18	2018/19		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'ooo			
Councillors (Political Office Bearers plus Other)				
Salary	6333	7 206	7 083	6867
Pension Contributions	635	707	707	715
Medical Aid Contributions	123	127	175	188
Motor vehicle allowance	2 079	2 314	2 314	2206
Cell phone allowance	851	799	832	910
Sub Total	10 021	11 153	11 111	10 886
Senior Managers of the Municipality				
Salary	5 760	6 990	6 174	5 713
Pension and UIF Contributions	469	948	849	459
Medical Aid Contributions	140	195	204	138
Motor vehicle allowance	559	690	850	559
Cell phone allowance	234	271	251	250
Housing allowance	103	3	13	96
Performance Bonus	170	0	1 138	886
Other benefits or allowances	759	1 501	318	739
Leave Payments'	166	0	0	72
Sub Total	8 360	10 598	9 797	8 912
Other Municipal Staff				
Basic Salaries and Wages	126 562	139 552	150 812	135 508
Pension Contributions	20 330	28 904	25 974	23 609
Medical Aid Contributions	9 244	17 029	12 826	9 817
Motor vehicle allowance	3 734	4 701	3 761	3930
Cell phone allowance	518	617	1 265	738
Housing allowance	1 268	1 345	2 270	1 838
Overtime	12 375	8 589	10 452	12 930
Bonuses	9 832	12 072	10 633	11 180
Other benefits or allowances	23 410	39 654	25 740	25 026
Sub Total	207 273	252 463	243 733	224 576
Total Municipality	215 633	263 061	253 530	233 488

Table 222: *Personnel Expenditure*

CHAPTER 5

This chapter provides details regarding the financial performance of the municipality for the 2018/19 financial year.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Statement of Financial Performance provides an overview of the financial performance of the Municipality and focuses on the financial health of the Municipality.

5.1 Financial Summary

The table below indicates the summary of the financial performance for the 2018/19 financial year:

Financial Summary						
R'ooo						
Description	2017/18	2018/19			2018/19 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'ooo				%	
Financial Performance						
Property rates	81 990	87 723	88 264	88 173	0.51	(0.10)
Service charges	326 459	356 916	338 339	334 867	(6.58)	(1.04)
Investment revenue	5 586	4 482	5 882	8 963	49.99	34.37
Transfers recognised – operational	113 150	109 019	129 565	130 694	16.58	0.86
Other own revenue	50 147	52 422	42 781	71 185	26.36	39.90
Total Revenue (excluding capital transfers and contributions)	577 332	610 562	604 831	633 882	3.68	4.58
Employee costs	215 633	263 061	263 061	233 488	(12.67)	(12.67)
Remuneration of councillors	10 022	11 154	11 154	10 887	(2.45)	(2.45)
Depreciation & asset impairment	36 262	22 507	22 507	40 702	44.70	44.70
Finance charges	11 575	19 266	19 266	8 021	(140.21)	(140.21)
Materials and bulk purchases	147 637	166 372	166 372	153 186	(8.61)	(8.61)
Transfers & grants	2 947	2 250	2 250	3 788	40.60	40.60
Other expenditure	144 701	170 593	170 593	171 609	0.59	0.59
Total Expenditure	568 639	655 203	655 203	621 680	(5.39)	(5.39)
Surplus/(Deficit)	8 693	(44 641)	(50 373)	12 202	465.85	512.83
Transfers recognised - capital	53 899	50 441	74 768	40 930	(23.24)	(82.67)
Contributed/Donated PPE	0	0	0	0	0	0
Surplus/(Deficit) after capital transfers & contributions	62 592	5 800	24 395	53 132	89.08	54.08

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Financial Summary						
R'ooo						
Description	2017/18	2018/19			2018/19 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'ooo				%	
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - capital	53 737	43 862	65 708	35 792	(22.54)	(83.58)
Public contributions & donations	0	0	0	0	0	0
Borrowing	0	0	0	0	0	0
Internally generated funds	4 624	14 870	20 473	18 909	21.36	(8.27)
Total sources of capital funds	58 361	58 732	86 181	54 701	(7.37)	(57.55)
Financial position						
Total current assets	123 267	61 133	112 256	175 542	65.17	36.05
Total non(current assets	843 651	837 903	909 310	856 689	2.19	(6.14)
Total current liabilities	115 576	95 773	143 782	149 650	36.00	3.92
Total non(current liabilities	186 459	233 424	219 137	164 566	(41.84)	(33.16)
Community wealth/Equity	664 883	569 839	658 647	718 016	20.64	8.27
Cash flows						
Net cash from (used) operating	132 479	56 850	96 377	119 664	52.49	19.46
Net cash from (used) investing	(56 540)	(52 858)	(85 286)	(51 616)	(2.41)	(65.23)
Net cash from (used) financing	(32 825)	(8 929)	(9 337)	(15 906)	43.86	41.30
Cash/cash equivalents at the year end	71 007	35 281	72 761	123 149	71.35	40.92
Cash backing/surplus reconciliation						
Cash and investments available	71 007	35 281	72 761	123 149	71.35	40.92
Application of cash & investments	27 894	25 986	51 045	71 007	63.40	28.11
Balance (surplus (shortfall)	43 113	9 295	21 716	52 141	82.17	58.35
Asset management						
Asset register summary (WDV)	843 651	837 903	909 310	856 689	2.19	(6.14)
Depreciation & asset impairment	40 643	22 507	41 305	40 702	44.70	(1.48)
Renewal of Existing Assets	0	0	6 926	6 411	100.00	(8.05)
Repairs and Maintenance	15 922	21 635	22 176	16 978	(27.43)	(30.62)
Free services						
Cost of Free Basic Services provided	32 160	16 345	32 697	40 662	59.80	19.59
Revenue cost of free services provided	0	2 995	5 840	0	0	0
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR Table A1						

Table 223: Financial Performance 2018/19

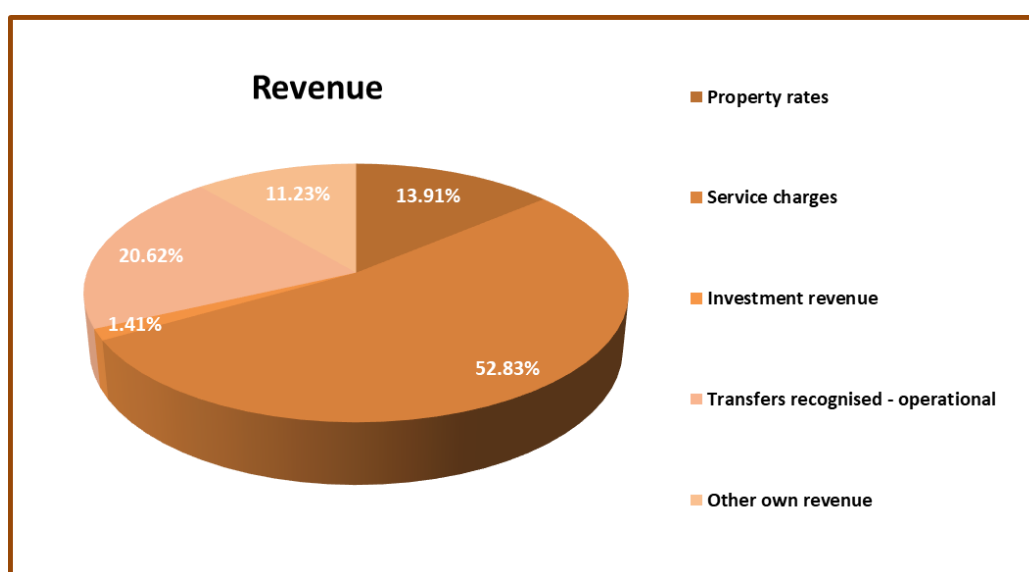
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The table below shows a summary of performance against budgets:

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Difference	%	Budget	Actual	Diff.	%
	R'ooo	R'ooo	R'ooo		R'ooo	R'ooo	R'ooo	
2017/18	642 844	631 231	(11 613)	(2)	611 773	568 640	43 133	7
2018/19	679 929	674 812	(5 117)	(1)	674 586	621 679	52 907	8

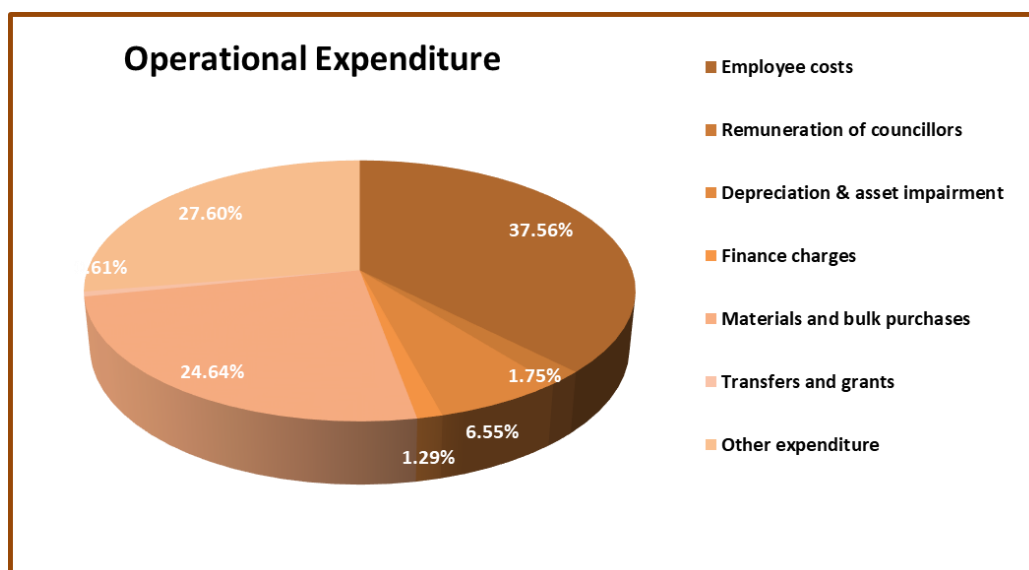
Table 224: Performance Against Budgets

The following graph indicates the various types of revenue items in the municipal budget for 2018/19



Graph 5.: Revenue

The following graph indicates the various types of expenditure items in the municipal budget for 2018/19



Graph 6.: Operating Expenditure

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5.1.1 Revenue Collection by Vote

The table below indicates the Revenue collection performance by Vote:

Vote Description	2017/18	2018/19			2018/19 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'ooo				%	
Vote 1 - Executive & Council	87 803	46 599	47 770	76 405	39.01	37.48
Vote 2 - Municipal Manager	17 869	19 622	19 862	18 190	(7.87)	(9.19)
Vote 3 - Corporate Services	1 079	757	1 413	629	(20.29)	(124.46)
Vote 4 - Financial Services	86 301	90 123	91 364	91 275	1.26	(0.10)
Vote 5 - Community and Public Safety	34 801	52 995	46 079	48 438	(9.41)	4.87
Vote 6 - Technical Services	352 616	420 883	423 177	392 941	(7.11)	(7.69)
Vote 7 - Human Settlement	51 196	28 805	50 265	46 934	38.63	(7.10)
Vote 8 - Strategic Services	0	0	0	0	0	0
Total Revenue by Vote	631 666	659 784	679 929	674 812	2.23	(0.76)
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR Table A3</i>						

Table 225: Revenue Collection by Vote

5.1.2 Revenue Collection by Source

The table below indicates the revenue collection performance by source for the 2018/19 financial year:

Description	2017/18		2018/19		2018/19 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'ooo				%	
Property rates	81 990	87 723	88 264	88 173	0.51	(0.10)
Service Charges - electricity revenue	214 893	236 916	224 154	222 752	(6.36)	(0.63)
Service Charges - water revenue	63 730	70 099	64 283	61 743	(13.53)	(4.11)
Service Charges - sanitation revenue	31 126	32 685	32 685	32 868	0.56	0.56
Service Charges - refuse revenue	16 710	17 216	17 216	17 504	1.65	1.65
Rentals of facilities and equipment	3 453	2 790	2 757	3 418	18.38	19.36
Interest earned - external investments	5 586	4 482	5 882	8 963	49.99	34.37
Interest earned - outstanding debtors	6 949	6 682	6 453	6 805	1.81	5.18
Fines	4 874	13 836	6 930	8 953	(54.54)	22.60
Licences and permits	0	0	330	0	0	0
Agency services	4 570	3 104	3 754	5 666	45.22	33.75

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Description	2017/18		2018/19		2018/19 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'ooo				%	
Transfers recognised - operational	113 150	109 019	129 565	130 694	16.58	0.86
Other revenue	30 301	26 010	22 888	88 135	70.49	74.03
Gains on disposal of PPE	(162)	0	0	(863)	100.00	100.00
Total Revenue (excluding capital transfers and contributions)	577 171	610 562	605 161	674 812	9.52	10.32
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR Table A4.						

Table 226: Revenue by Source

5.1.3 Operational Services Performance

Description	2017/18	2018/19			2018/19 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'ooo				%	
Operating Cost						
Water	38 008	69 056	69 309	43 123	(60.14)	(60.73)
Waste Water (Sanitation)	11 530	17 215	17 959	17 959	4.14	0.00
Electricity	48 527	53 920	48 358	56 926	5.28	15.05
Waste Management	(12 336)	(1 550)	(4 657)	1 545	200.32	401.41
Housing	9 667	(11 842)	(5 920)	(7 836)	(51.12)	24.45
Component A: sub-total	95 396	126 799	125 049	111 717	(13.50)	(11.93)
Roads and Stormwater	(23 504)	(13 022)	(11 707)	(14 678)	11.29	20.24
Component B: sub-total	(23 504)	(13 022)	(11 707)	(14 678)	11.29	20.24
Planning and Building Control	(16 521)	(23 187)	(21 799)	(19 833)	(16.91)	(9.91)
Component C: sub-total	(16 521)	(23 187)	(21 799)	(19 833)	(16.91)	(9.91)
Libraries	(253)	(416)	(426)	(773)	46.21	44.91
Cemeteries	(2 899)	(2 818)	(3 266)	(3 300)	14.61	1.03
Component D: sub-total	(3 152)	(3 234)	(3 692)	(4 073)	20.61	9.36
Environmental Protection	0	0	0	0	0	0
Component E: sub-total	0	0	0	0	0	0
Public safety	(21 843)	(27 028)	(34 427)	(17 803)	(51.81)	(93.37)
Component F: sub-total	(21 843)	(27 028)	(34 427)	(17 803)	(51.81)	(93.37)
Sport and Recreation	(32 236)	(36 908)	(38 683)	(33 337)	(10.71)	(16.04)
Component G: sub-total	(32 236)	(36 908)	(38 683)	(33 337)	(10.71)	(16.04)

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Description	2017/18	2018/19			2018/19 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'ooo				%	
<u>Operating Cost</u>						
Finance and administration	24 092	15 604	18 683	23 448	33.45	20.32
Executive and council	32 796	(21 641)	(12 661)	18 417	217.50	168.74
Other	7 564	(12 802)	(15 420)	(10 725)	(19.37)	(43.78)
Component H: sub-total	64 452	(18 839)	(9 398)	31 141	160.50	130.18
Total Expenditure	62 592	4 581	5 343	53 132	91.38	89.94
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Table 227: Operational Services Performance

5.2 Financial Performance per Municipal Function

5.2.1 Water Services

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'ooo				%
Total Operational Revenue	76 485	106 971	118 325	88 903	(20.32)
Expenditure:					
Employees	15 757	13 769	17 098	17 806	22.67
Repairs & Maintenance	2 886	5 813	5 943	3 068	(89.51)
Other	19 834	18 333	25 975	24 906	26.39
Total Operational Expenditure	38 477	37 915	49 016	45 780	17.18
Net Operational (Service) Expenditure	38 008	69 056	69 309	43 123	(60.14)
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 228: Financial Performance: Water Services

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5.2.2 Waste Water (Sanitation)

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'ooo				%
Total Operational Revenue	31 825	41 542	41 542	41 752	0.50
Expenditure:					
Employees	12 030	18 488	16 003	14 276	(29.50)
Repairs & Maintenance	1 404	1 635	1 598	1 623	(0.76)
Other	6 861	4 204	5 983	7 895	46.75
Total Operational Expenditure	20 295	24 327	23 583	23 793	(2.24)
Net Operational (Service) Expenditure	11 530	17 215	17 959	17 959	4.14
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 229: Financial Performance: Waste Water (Sanitation) Services

5.2.3 Electricity

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'ooo				%
Total Operational Revenue	221 912	248 051	238 590	237 576	(4.41)
Expenditure:					
Employees	13 794	20 373	18 761	14 376	(41.72)
Repairs & Maintenance	2 823	3 938	4 134	2 703	(45.67)
Other	156 768	169 820	167 336	163 571	(3.82)
Total Operational Expenditure	173 385	194 131	190 232	180 650	(7.46)
Net Operational (Service) Expenditure	48 527	53 920	48 358	56 925	5.28
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 230: Financial Performance: Electricity

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5.2.4 Waste Management

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'ooo				%
Total Operational Revenue	17 390	25 909	25 909	26 347	1.66
Expenditure:					
Employees	11 787	13 096	14 444	13 547	3.33
Repairs & Maintenance	317	915	850	430	(112.89)
Other	17 621	13 448	15 272	10 825	(24.23)
Total Operational Expenditure	29 726	27 459	30 566	24 802	(10.71)
Net Operational (Service) Expenditure	(12 336)	(1 550)	(4 657)	1 545	200.28
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 231: Financial Performance: Waste Management

5.2.5 Housing

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'ooo				%
Total Operational Revenue	51 196	27 399	48 859	46 934	41.62
Expenditure:					
Employees	3 780	6 393	5 494	3 916	(63.25)
Repairs & Maintenance	126	14	14	0	0
Other	37 623	32 834	49 272	50 854	35.43
Total Operational Expenditure	41 529	39 241	54 779	54 770	28.35
Net Operational (Service) Expenditure	9 667	(11 842)	(5 920)	(7 836)	(51.13)
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 232: Financial Performance: Housing

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5.2.6 Roads and Stormwater

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'ooo				%
Total Operational Revenue	31 678	24 320	24 720	24 711	1.58
Expenditure:					
Employees	17 778	18 884	20 952	20 111	6.10
Repairs & Maintenance	5 666	6 019	5 906	6 173	2.49
Other	31 739	12 438	9 569	13 105	5.09
Total Operational Expenditure	55 183	37 342	36 427	39 389	5.20
Net Operational (Service) Expenditure	(23 505)	(13 022)	(11 707)	(14 678)	11.28
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 233: Financial Performance: Roads and Stormwater

5.2.7 Planning

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'ooo				%
Total Operational Revenue	0	56	56	0	0
Expenditure:					
Employees	13 536	16 468	15 236	15 521	(6.10)
Repairs & Maintenance	0	0	115	0	0
Other	2 985	6 775	6 504	4 312	(57.11)
Total Operational Expenditure	16 521	23 243	21 855	19 833	(17.19)
Net Operational (Service) Expenditure	(16 521)	(23 187)	(21 799)	(19 833)	(16.91)
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 234: Financial Performance: Planning

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5.2.8 Libraries Services

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'ooo				%
Total Operational Revenue	5 338	7 658	7 658	5 716	(33.97)
Expenditure:					
Employees	5 281	7 769	7 777	6 272	(23.85)
Repairs & Maintenance	15	48	48	2	(2039.05)
Other	295	257	259	215	(19.76)
Total Operational Expenditure	5 591	8 074	8 084	6 490	(24.42)
Net Operational (Service) Expenditure	(253)	(416)	(426)	(773)	46.14
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 235: Financial Performance: Libraries Services

5.2.9 Cemeteries

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'ooo				%
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Employees	2 076	1 834	2 283	2 383	23.03
Repairs & Maintenance	64	49	49	19	(157.91)
Other	759	934	934	898	(4.08)
Total Operational Expenditure	2 899	2 818	3 266	3 300	14.61
Net Operational (Service) Expenditure	(2 899)	(2 818)	(3 266)	(3 300)	14.61
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 236: Financial Performance: Cemeteries

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5.2.10 Public Safety

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'ooo				%
Total Operational Revenue	9 468	17 333	10 634	14 622	(18.54)
Expenditure:					
Employees	19 200	24 710	24 794	20 707	(19.33)
Repairs & Maintenance	0	163	183	0	0
Other	12 111	19 488	20 084	11 718	(66.31)
Total Operational Expenditure	31 311	44 361	45 061	32 425	(36.81)
Net Operational (Service) Expenditure	(21 843)	(27 028)	(34 427)	(17 804)	(51.81)
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 237: Financial Performance: Public Safety

5.2.11 Sport and Recreation

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'ooo				%
Total Operational Revenue	1 753	2 095	1 874	1 753	(19.51)
Expenditure:					
Employees	25 326	23 716	24 020	21 273	(11.48)
Repairs & Maintenance	0	928	1 111	0	0
Other	8 664	14 359	15 426	13 816	(3.93)
Total Operational Expenditure	33 990	39 003	40 557	35 090	(11.15)
Net Operational (Service) Expenditure	(32 237)	(36 908)	(38 683)	(33 337)	(10.71)
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 238: Financial Performance: Sport and Recreation

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5.2.10 Financial Services

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'ooo				%
Total Operational Revenue	87 380	90 824	92 721	91 904	1.18
Expenditure:					
Employees	44 307			39 745	100.00
Repairs & Maintenance	765	312	312	827	62.21
Other	18 217	74 907	73 725	27 884	(168.64)
Total Operational Expenditure	63 288	75 220	74 038	68 456	(9.88)
Net Operational (Service) Expenditure	24 092	15 605	18 683	23 449	33.45
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 239: Financial Performance: Financial Services

5.2.12 Executive and Council

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'ooo				%
Total Operational Revenue	105 671	67 626	69 038	94 594	28.51
Expenditure:					
Employees	28 503	43 656	34 742	30 161	(44.74)
Repairs & Maintenance	335	1 032	1 011	218	(373.82)
Other	44 038	44 580	45 947	45 798	2.66
Total Operational Expenditure	72 875	89 267	81 699	76 177	(17.18)
Net Operational (Service) Expenditure	32 796	(21 641)	(12 662)	18 418	217.50
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 240: Financial Performance: Executive and Council

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5.2.12 Other

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'ooo				%
Total Operational Revenue	o	o	o	o	o
Expenditure:					
Employees	2 478	53 904	51 928	13 392	(302.52)
Repairs & Maintenance	1 522	768	902	1 916	59.90
Other	(11 564)	(41 871)	(37 410)	(4 583)	(813.62)
Total Operational Expenditure	(7 564)	12 802	15 420	10 725	(19.37)
Net Operational (Service) Expenditure	7 564	(12 802)	(15 420)	(10 725)	(19.37)
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 241: Financial Performance: Other

5.3 Grants

5.3.1 Grant Performance

The performance in the spending of these grants is summarised as follows:

Description	2017/18	2018/19			2018/19 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'ooo				%	
Operating Transfers and Grants						
National Government:	102 343	106 685	139 285	114 581	6.89	(21.56)
Local Government Equitable Share	62 683	67 861	67 861	67 861	0	0
Finance Management	1 550	1 620	1 620	1 620	0	0
EPWP Incentive	2 911	2 822	2 822	2 822	0	0
Municipal Infrastructure Grant	19 377	21 382	21 382	21 382	0	0
Integrated National Electrification Program	6 001	3 000	5 600	5 556	46.00	(0.79)
Water Services Infrastructure Grant	9 821	10 000	40 000	15 340	34.81	(160.76)
Provincial Government:	64 546	37 857	62 992	57 042	33.63	(10.43)
Human Settlement Development Grant	49 790	27 399	48 859	45 527	39.82	(7.32)
Library Service grant	5 338	7 658	7 658	5 716	(33.97)	(33.97)

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Description	2017/18	2018/19			2018/19 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'ooo				%	
CDW Support Grant	14	0	0	0	0	0
Maintenance & Construction of Road Infrastructure	106	116	116	107	(8.91)	(8.91)
Thusong support grant	100	0	0	0	0	0
Municipal Service delivery and Capacity Building grant	1 871	0	900	400	100.00	(125.00)
Emergency Housing	1 406	1 406	1 406	1 406	0	0
Municipal Drought Relief Grant	959	0	0	0	0	0
Western Cape Financial management capacity building grant	0	360	378	280	(28.57)	(35.00)
Local Government Graduate Internship Grant	0	138	138	69	(99.89)	(99.89)
Financial Management Support Grant	3 702	780	1 480	1 480	47.30	0
Cango Caves Infrastructure Grant	60	0	1 440	1 440	100.00	0.01
Fire Services Capacity Building Grant	1 200	0	0	0	0	0
Municipal Infrastructure - Electricity Master Plan	0	0	617	617	100.00	0
District Municipality:	0	0	0	0	0	0
Other grant providers:	0	0	0	0	0	0
Total Operating Transfers and Grants	166 889	144 542	202 277	171 623	15.78	(17.86)
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual</i>						

Table 242: Grant Performance for 2018/19

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5.3.2 Conditional Grants

Details	2017/18	2018/19			2018/19 Variance	
	Actual	Budget	Adjustments Budget	Actual	Variance	
	Actual (Audited Outcome)				Budget	Adjustment Budget
	R'ooo				%	
Finance Management	1 550	1 620	1 620	1 620	0	0
Municipal Infrastructure Grant	19 377	21 382	21 382	21 382	0	0
EPWP Incentive	2 911	2 822	2 822	2 822	0	0
Integrated National Electrification Program	6 001	3 000	5 600	5 556	46.00	(0.79)
Water Services Infrastructure Grant	9 821	10 000	40 000	15 340	34.81	(160.76)
Human Settlement Development Grant	49 790	27 399	48 859	45 527	39.82	(7.32)
Library Service Grant	5 338	7 658	7 658	5 716	(33.97)	(33.97)
Maintenance & Construction of Road Infrastructure	106	116	116	107	(8.91)	(8.91)
Thusong Support Grant	100	0	0	0	0	0
Municipal Service Delivery and Capacity Building Grant	2 093	0	900	400	100.00	(125.00)
Emergency Housing	1 406	1 406	1 544	1 406	0	(9.82)
Municipal Drought Relief Grant	959	0	0	0	0	0
Western Cape Financial Management Capacity Building Grant	0	360	378	280	(28.57)	(35.00)
Local Government Graduate Internship Grant	0	138	138	69	(99.89)	(99.89)
Financial Management Support Grant	3 480	780	1 480	1 480	47.30	0
Cango Caves Infrastructure Grant	60	0	1 440	1 440	100.00	0.01
Fire Services Capacity Building Grant	1 200	0	0	0	0	0
Municipal Infrastructure - Electricity Master Plan	0	0	617	617	100.00	0
Total	104 192	76 681	134 554	103 762	26.10	(29.68)
* This includes Neighbourhood Development Partnership Grant Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in par 5.9.2. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Table 243: Conditional Grants

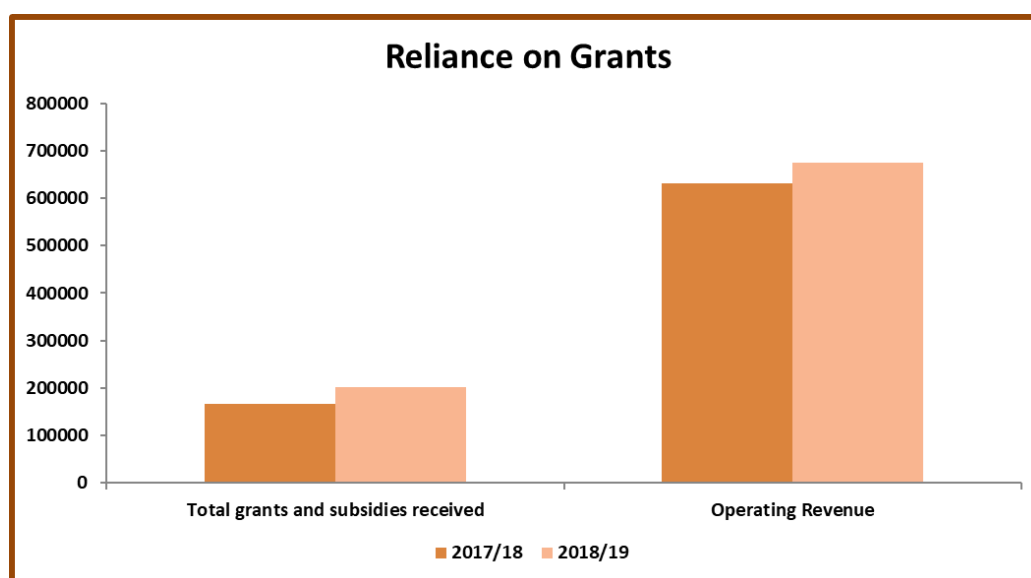
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5.3.3 Level of Reliance on Grants and Subsidies

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'ooo	R'ooo	%
2017/18	167 049	631 231	26.46
2018/19	200 783	674 812	29.75

Table 244: Reliance on Grants and Subsidies

The following graph indicates the municipality's reliance on grants as percentage for the last two financial years



Graph 7.: Reliance on Grants

5.4 Asset Management

5.4.1 Treatment of the Three Largest Assets

Asset 1		
Name	Blossoms pipeline	
Description	New water resource - borehole	
Asset Type	Water Infrastructure	
Key Staff Involved	Technical Services Director and Senior Manager Water& Sewerage	
Staff Responsibilities	Management of the establishment of a new water resource for Greater Oudtshoorn	
Asset Value as at 30 June 2018	2017/18 R million	2018/19 R million
	53 533	58 209
Capital Implications	New water pipeline to be laid from the main borehole at Blossoms	
Future Purpose of Asset	To provide a sustainable new water resource for the Greater Oudtshoorn	

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Describe Key Issues	Availability of funding from Department of Water affairs	
Policies in Place to Manage Asset	Implementation plan for project approved by National Government	
Asset 2		
Name	Koos Raubenheimer Dam	
Description	Main water resource of Greater Oudtshoorn	
Asset Type	Water Infrastructure	
Key Staff Involved	Technical Services Director and Senior Manager Water & Sewerage	
Staff Responsibilities	Management of maintenance of the water resources for Greater Oudtshoorn	
Asset Value as at 30 June 2018	2017/18 R million	2018/19 R million
	26 047	25 005
Capital Implications	Refurbishment and Upgrading of existing dam infrastructure	
Future Purpose of Asset	Main water resource of Greater Oudtshoorn	
Describe Key Issues	Availability of funding to do the proper maintenance that is required	
Policies in Place to Manage Asset	Maintenance plans and future capital projects in planning phase.	
Asset 3		
Name	Oudtshoorn Waster Water Purification Works	
Description	Waste water purification works of Greater Oudtshoorn	
Asset Type	Sanitation Infrastructure	
Key Staff Involved	Technical Services Director and Senior Manager Water and Sewerage	
Staff Responsibilities	Management and maintenance of the sewerage purification works of the Greater Oudtshoorn	
Asset Value as at 30 June 2018	2017/18 R million	2018/19 R million
	22 299	20 483
Capital Implications	Refurbishment and Upgrading of existing infrastructure plant and network	
Future Purpose of Asset	Waste water purification of the Greater Oudtshoorn	
Describe Key Issues	Availability of funding to do the proper maintenance that is required	
Policies in Place to Manage Asset	Maintenance plans and future capital projects in planning phase.	

Table 245: Treatment of the Three Largest Assets

5.4.2 Repairs and Maintenance

Description	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Budget variance
		R' 000			%
Repairs and Maintenance Expenditure	15 922	21 635	22 176	16 978	(30.62)

Table 246: Repairs & Maintenance as % of Total Operating Expenditure

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5.5 Financial Ratios Based on Key Performance Indicators

5.5.1 Liquidity Ratio

Description	Basis of calculation	2017/18	2018/19
		Audited outcome	Audited outcome
Current Ratio	Current assets/current liabilities	1.07	1.17
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.61	0.77
Liquidity Ratio	Monetary Assets/Current Liabilities	0.61	0.82

Table 247: Liquidity Financial Ratio

5.5.2 IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2017/18	2018/19
		Audited outcome	Audited outcome
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.40	1.85
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	12%	12%
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	11.77%	8.77%

Table 248: Financial Viability National KPAs

5.5.3 Borrowing Management

Description	Basis of calculation	2017/18	2018/19
		Audited outcome	Audited outcome
Capital charges to operating expenditure	Interest & Principal Paid /Operating Expenditure	2.24%	1.96%

Table 249: Borrowing Management

5.5.4 Employee Costs

Description	Basis of calculation	2017/18	2018/19
		Audited outcome	Audited outcome
		%	
Employee costs	Employee costs/(Total Revenue - capital revenue)	37%	37%

Table 250: Employee Costs

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5-5-5 Repairs and Maintenance

Description	Basis of calculation	2017/18	2018/19
		Audited outcome	Audited outcome
		%	
Repairs & Maintenance	R&M/(Total revenue excluding capital revenue)	3%	3%

Table 251: Repairs & Maintenance

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.6 Sources of Finance

The table below indicates the capital expenditure by funding source for the 2018/19 financial year:

Details	2017/18	2018/19				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
Source of finance						
Description	R'ooo				%	
External loans	o	o	o	o	o	o
Public contributions and donations	o	o	o	20	o	o
Grants and subsidies	53 737	43 862	65 708	35 792	49.81	(45.53)
Own funding	4 624	14 870	20 473	18 889	37.68	(7.74)
Total	58 361	58 732	86 181	54 701	31.85	(7.37)
Percentage of finance						
%						
External loans	o	o	o	o		
Public contributions and donations	o	o	o	o		
Grants and subsidies	92	75	76	65		
Own funding	8	25	24	35		
Capital expenditure						
Description	R'ooo				%	
Water and sanitation	11 390	31 043	53 960	29 298	73.82	(45.71)
Electricity	11 477	4 639	6 448	5 647	39.00	(12.42)
Housing	16 120	o	5 000	o	o	o
Roads and storm water	11 124	2 482	4 467	4 860	80.01	8.80
Other	8 250	20 568	16 306	14 896	(20.72)	(8.64)
Total	58 361	58 732	86 181	54 701	31.85	(7.37)

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Details	2017/18	2018/19				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
<i>Percentage of expenditure</i>						
%						
Water and sanitation	20	53	63	54		
Electricity	20	8	7	10		
Housing	28	0	6	0		
Roads and storm water	19	4	5	9		
Other	14	35	19	27		

Table 252: Capital Expenditure by Funding Source

5.7 Capital Spending on 5 Largest Projects

Name of Project	2018/19				
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
	R'ooo			%	
Dysselsdorp Bulk Infrastructure	0	5 000	0	0	0
Upgrading of Waste Water Treatment Works- MIG	1 304	5 186	5 142	0.07	(0.00)
Ground Water Augmentation KKRWS - West	4 348	4 348	4 693	0.01	0.01
Blossoms Pipeline-ground Water Project	0	26 087	4 676	0.10	(0.46)
Refurbishment Of Dysselsdorp WTW Booster Pump Station	4 3478	4 348	3 971	(0.01)	(0.01)
Name of Project - A	Dysselsdorp Bulk Infrastructure				
Objective of Project	New Informal Housing project civil services infrastructure				
Delays	Town Planning Studies needed to be completed				
Future Challenges	None				
Anticipated citizen benefits	New informal housing for Dysselsdorp				
Name of Project - B	Upgrading of WWTW- MIG				
Objective of Project	Upgrading of WWTW				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	A functional WWTW				
Name of Project - C	Ground Water Augmentation KKRWS - West				
Objective of Project	Refurbishment of equipment in the KKRWS				
Delays	None				
Future Challenges	None				

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Name of Project	2018/19				
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
	R'ooo			%	
Anticipated citizen benefits	Clean and sustainable water resources in the KKRWS				
Name of Project - D	Blossoms Pipeline-ground Water Project				
Objective of Project	New Water resource of Greater Oudtshoorn				
Delays	Funding was transferred late and the specifications for the project needed to be compiled first to source the correct materials and pipes				
Future Challenges	None				
Anticipated citizen benefits	New Water resource of Greater Oudtshoorn				
Name of Project - E	Refurbishment of Dysselsdorp WTW Booster Pump Station				
Objective of Project	Refurbishment of existing equipment				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Clean and sustainable water resources in Dysselsdorp				

Table 253: Capital Spending on 5 Largest Projects

5.8 Capital Spending per Asset Class

Description	2017/18	2018/19			Planned Capital expenditure		
	Audited outcome	Original Budget	Adjustment Budget	Actual Expenditure	2019/20	2020/21	2021/22
R'ooo							
Capital expenditure by Asset Class							
Infrastructure - Total	4 890	13 771	48 376	9 726	27 611	42 831	43 009
Infrastructure: Road transport - Total	0	200	200	165	0	0	0
Roads, Pavements & Bridges	0	200	200	165	0	0	0
Infrastructure: Electricity - Total	4 515	4 376	6 155	0	6 451	7 548	7 727
Transmission & Reticulation	4 515	4 376	6 155	0	6 451	7 548	7 727
Infrastructure: Water - Total	375	9 196	37 022	9 368	21 159	35 283	35 282
Reticulation	375	9 196	37 022	9 368	21 159	35 283	35 282
Infrastructure: Sanitation - Total	0	0	5 000	0	0	0	0
Reticulation	0	0	5 000	0	0	0	0
Infrastructure: Other - Total	0	0	0	193	0	0	0
Other	0	0	0	193	0	0	0
Community - Total	0	1 889	1 889	58	9 000	0	0
Sport fields and stadiums	0	0	0	0	500	0	0
Libraries	0	1 739	1 739	58	8 500	0	0
Other	0	150	150	0	0	0	0

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Description	2017/18	2018/19			Planned Capital expenditure		
	<i>Audited outcome</i>	Original Budget	Adjustment Budget	Actual Expenditure	2019/20	2020/21	2021/22
R'000							
<u>Capital expenditure by Asset Class</u>							
<u>Capital expenditure by Asset Class</u>	5 255	4 220	4 972	6 672	3 857	1 576	1 676
<u>Investment properties - Total</u>	0	0	0	0	1 135	0	0
Other	0	0	0	0	1 135	0	0
<u>Other assets</u>	4 335	3 257	4 009	6 005	3 657	1 576	1 676
General vehicles	0	0	0	0	722	0	0
Plant & equipment	740	1 219	1 325	3 535	770	200	200
Computers - hardware/equipment	1 814	1 516	2 056	998	843	800	800
Furniture and other office equipment	781	522	628	1 473	953	26	26
Civic Land and Buildings	0	0	0	0	368	550	650
Other	1 001	0	0	0	0	0	0
<u>Intangibles</u>	920	963	963	667	200	0	0
Computers - software & programming	920	963	963	667	200	0	0
Total Capital Expenditure on new assets	10 145	19 880	55 238	16 456	40 467	44 407	44 685
<u>Specialised vehicles</u>	1 303	0	0	0	0	0	0
Fire	1 303	0	0	0	0	0	0

Table 254: Capital Spending per Asset Class

5.9 Municipal Infrastructure Grant (MIG)

Details	2017/18	2018/19			
	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
		R			%
Infrastructure - Water	4 223 792	4 223 792	4 223 792	0	0
Reticulation	4 223 792	4 223 792	4 223 792	0	0
Water purification	0	0	0	0	0
Infrastructure - Sanitation	5 963 748	5 963 748	5 963 748	0	0
Reticulation	5 963 748	5 963 748	5 963 748	0	0
Sewerage purification	0	0	0	0	0
Infrastructure - Refuse removal	3 431 853	3 431 853	3 431 853	0	0
Infrastructure - Electricity	133 049	133 049	133 049	0	0

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Details	2017/18	2018/19			
	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
	R			%	
<i>Reticulation</i>	133 049	133 049	133 049	0	0
<i>Sport and Recreational Facilities</i>	6 560 457	6 560 457	6 458 947	(1.57)	(1.57)
<i>Outdoor Sport facilities</i>	1 820 746	1 820 746	1 820 746	0	0
Infrastructure Roads Transport	4 739 711	4 739 711	4 638 201	(2.19)	(2.19)
PMU	1 069 099	1 069 099	1 170 610	8.67	8.67
Total	21 381 999	21 381 999	21 382 000	0	0

Table 255: Municipal Infrastructure Grant (MIG)

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Cash flow management is critical to the municipality as it enables the organisation to assess whether enough cash is available at any point in time to cover the council's commitments. Cash flow is rigorously managed and monitored on a regular basis.

5.10 Cash Flow

Description	2017/18	2018/19		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'ooo			
Cash flow from operating activities				
Receipts				
Ratepayers and other	426 255	471 900	444 498	437 580
Government Grants and Subsidies	167 049	159 460	204 333	200 783
Interest	12 535	10 964	12 141	15 343
Dividends	0	0	0	0
Payments				
Suppliers and employees	(462 233)	(564 661)	(549 867)	(522 433)
Finance charges	(8 181)	(19 266)	(10 296)	(8 021)
Transfers and Grants	(2 947)	(2 250)	(4 431)	(3 788)
Net cash from/(used) operating activities	132 479	56 147	96 378	119 463
Cash flows from investing activities				
Receipts				
Proceeds on disposal of PPE	435	0	0	0
Payments				

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Description	2017/18	2018/19		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'ooo			
Capital assets	(56 975)	(52 858)	(85 286)	(51 616)
Net cash from/(used) investing activities	(56 540)	(52 858)	(85 286)	(51 616)
Cash flows from financing activities				
Receipts				
Increase/(Decrease) in Consumer Deposits	0	704	663	0
Payments				
Repayment of borrowing	(32 825)	(8 929)	(10 000)	(15 906)
Net cash from/(used) financing activities	(32 825)	(8 226)	(9 337)	(15 906)
Net increase/ (decrease) in cash held	43 113	(4 937)	1 754	52 141
Cash/cash equivalents at the year begin:	27 894	40 218	71 007	71 007
Cash/cash equivalents at the year-end:	71 007	35 281	72 761	123 149

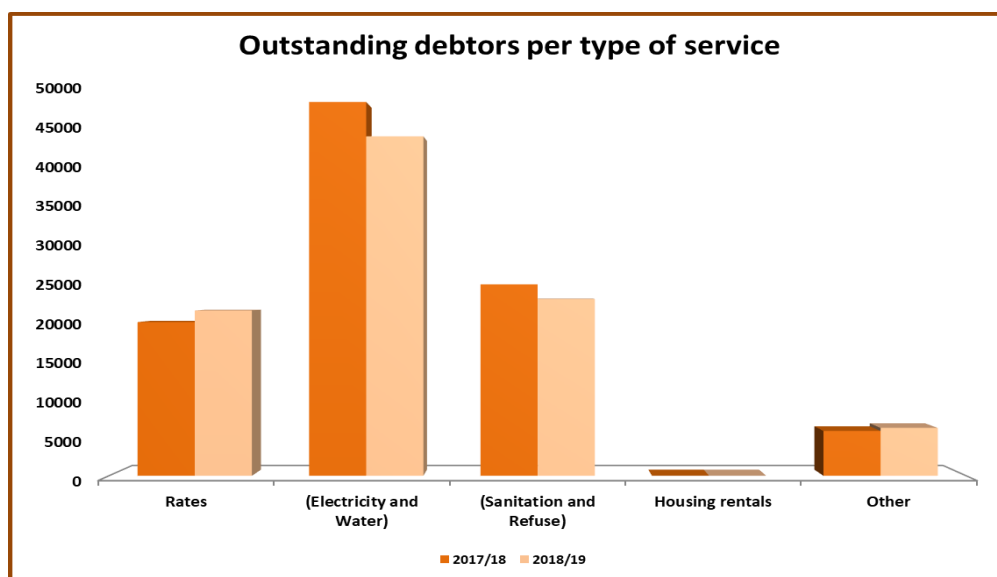
Table 256: Cash Flow

5.11 Gross Outstanding Debtors per Service

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
	R'ooo	R'ooo	R'ooo	R'ooo	R'ooo	R'ooo
2017/18	20 037	48 731	24 951	1	5 843	99 561
2018/19	21 545	44 259	23 033	1	6 245	95 082
Difference	1 508	(4 472)	(1 918)	0	402	(4 480)
% growth year on year	8	(9)	(8)	(14)	7	(4)

Table 257: Gross Outstanding Debtors per Service

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Graph 8.: Outstanding Debtors per Service

5.12 Total Debtors Age Analysis

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000				
2017/18	26 391	5 182	3 394	64 594	99 561
2018/19	23 598	4 641	3 091	63 752	95 082
Difference	(2 793)	(541)	(303)	(842)	(4 480)
% growth year on year	(11)	(10)	(9)	(1)	(4)

Table 258: Service Debtor Age Analysis

5.13 Borrowing and Investments

Infrastructure needs to be replaced and therefore borrowings for periods of 15 years are taken up to lessen the impact on consumers.

5.13.1 Actual Borrowings

Actual Borrowings		
R'000		
Instrument	2017/18	2018/19
Long-Term Loans (non-annuity)	50 788	40 943
Financial Leases	9 752	6 755
Total	60 539	47 698

Table 259: Actual Borrowings

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5.13.2 Investments

Investment type	2017/18	2018/19
	Actual	Actual
	R'ooo	
Deposits - Bank	63 510	97 605
Total	63 510	97 605

Table 260: Investments

5.13.3 Grants Made by the Municipality: 2018/19

All organisation or person in receipt of grants provided by the Municipality	Nature of project	Conditions attached to funding	Value 2018/19	Total amount committed over previous and future years
			R'ooo	
Early Childhood Dev	Transfers made towards Households for social assistance	Yes, must be in used as stipulated in the agreement signed and in line with council's policy towards grants in aid	14	14
Community Support Programme	Transfers made towards Households for social assistance	Yes, must be in used as stipulated in the agreement signed and in line with council's policy towards grants in aid	219	219
Study Assistance	Bursaries to non-Employees	Yes, must be in used as stipulated in the agreement signed and in line with council's policy towards grants in aid	211	211
Local Tourism Bureau	Transfers made to non-profit Institutions	Yes, must be in used as stipulated in the agreement signed and in line with council's policy towards grants in aid	600	600
Marketing - KKNK	Transfers made to non-profit Institutions	Yes, must be in used as stipulated in the agreement signed and in line with council's policy towards grants in aid	400	400
Sports Development	Transfers made to non-profit Institutions	Yes, must be in used as stipulated in the agreement signed and in line with council's policy towards grants in aid	401	401
Events Management Support	Transfers made towards Households for social assistance	Yes, must be in used as stipulated in the agreement signed and in line with council's policy towards grants in aid	302	302
Early Childhood Dev	Transfers made towards Households for social assistance	Yes, must be in used as stipulated in the agreement signed and in line with council's policy towards grants in aid	38	38
HIV Programm	Transfers made towards Households for social assistance	Yes, must be in used as stipulated in the agreement signed and in line with council's policy towards grants in aid	24	24
Transversal Matters-old Age-women	Transfers made towards Households for social assistance	Yes, must be in used as stipulated in the agreement signed and in line with council's policy towards grants in aid	20	20

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All organisation or person in receipt of grants provided by the Municipality	Nature of project	Conditions attached to funding	Value 2018/19	Total amount committed over previous and future years
			R'ooo	
Sports Development	Transfers made to non-profit Institutions	Yes, must be in used as stipulated in the agreement signed and in line with council's policy towards grants in aid	76	76
Emergency Housing Programme	Emergency Housing kits provided to households	Yes, must be in used as stipulated in the agreement signed and in line with council's policy towards grants in aid	1 405	1 405
Sport Events	Transfers made to non-profit Institutions	Yes, must be in used as stipulated in the agreement signed and in line with council's policy towards grants in aid	78	78

Table 261: Grants Made by the Municipality: 2018/19

CHAPTER 6

COMPONENT A: AUDITOR-GENERAL OPINION

6.1 Auditor-General Report 2017/18

2017/18	
Main issues raised under qualification	Corrective steps implemented/ to be implemented
<u>Financial Statements</u>	
<u>Property, plant and equipment – other assets</u>	
Unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding amounts for land and buildings and community assets. As, described in note 40 to the financial statements, the restatement was made to rectify the opening balances of land and buildings and community assets, but the restatement could not be substantiated by supporting evidence. I. was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to land and building and community assets corresponding carrying values stated at R109 999 883 and R55 688 482, respectively, in note 2.2 to the financial statements.	<p>The actual expenditure relating to all additions and improvements of Land, Buildings and Community assets will be investigated and reconciliation will be performed to substantiate the opening balance as at 1 July 2016.</p> <p>Audit file will be updated with information and supplied to the Auditor General on their quarterly visits for review.</p>
<u>Investment property</u>	
Unable to obtain sufficient appropriate evidence for the restatement of the corresponding amounts reinvestment property in the financial statements. As, described in note 40 to the financial statements, the restatement was made to rectify the opening balances of investment property, but the restatement could not be substantiated by supporting evidence. I. was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to investment property's corresponding carrying values stated at R68 037 193 in note 3 to the financial statements.	<p>The actual expenditure relating to all additions and improvements of Investment Property assets will be investigated and reconciliation will be performed to substantiate the opening balance as at 1 July 2016.</p> <p>Audit file will be updated with information and supplied to the Auditor General on their quarterly visits for review.</p>

Table 262: AG Report 2017/18

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6.2 Auditor-General Report 2018/19

2018/19	
Main issues raised under qualification	Corrective steps implemented/ to be implemented
<u>Financial Statements</u>	
Unqualified audit opinion was received, with matters identified that was subsequently corrected	
<p>The financial statements submitted for auditing were not prepared in all material respects in</p> <ul style="list-style-type: none"> • accordance with the requirements of section 122(1) of the MFMA. Material misstatements of • non-current provisions for rehabilitation of landfill sites, finance charges, and the disclosure of contractual commitments identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion. 	<p>A detailed audit action plan will be compiled identifying the issues and remedial actions to ensure that the matters are addressed</p>

Table 263: AG Report 2018/19

LIST OF ABBREVIATIONS

AG	Auditor-General
CAPEX	Capital Expenditure
CBP	Community Based Planning
CFO	Chief Financial Officer
DCF	District Coordinating Forum
DEDAT	Department of Economic Development and Tourism
DPLG	Department of Provincial and Local Government
DWAF	Department of Water Affairs and Forestry
EE	Employment Equity
GAMAP	Generally Accepted Municipal Accounting Practice
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
IMFO	Institute for Municipal Finance Officers
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
LLF	Local Labour Forum
MAYCOM	Executive Mayoral Committee
MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
MGRO	Municipal Governance Review & Outlook
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MSA	Municipal Systems Act No. 32 of 2000

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MTECH	Medium Term Expenditure Committee
NGO	Non-governmental organisation
NT	National Treasury
OPEX	Operating expenditure
PMS	Performance Management System
PCF	Premiers Coordinating Forum
PSG	Provincial Strategic Goal
PT	Provincial Treasury
SALGA	South African Local Government Association
SAMDI	South African Management Development Institute
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework

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Annexure A

Financial Statements

OUTDSHOORN

MUNICIPALITY



FINANCIAL STATEMENTS

30 JUNE 2019

OUDTSHOORN LOCAL MUNICIPALITY

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OUDTSHOORN LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

GENERAL INFORMATION

NATURE OF BUSINESS

Oudtshoorn Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Oudtshoorn Municipality includes the following areas:
Oudtshoorn, Dysselsdorp, De Rust, Volmoed, De Hoop

MEMBERS OF THE MAYORAL COMMITTEE

Executive Mayor	CF Sylvester
Deputy Executive Mayor	N Mwati
Speaker	J le Roux Krowitz
Executive Mayoral Committee	DJ Fourie
Executive Mayoral Committee	E Fortuin
Executive Mayoral Committee	GJ Kersop
Executive Mayoral Committee	H Ruiters
Executive Mayoral Committee	N Soman

MUNICIPAL MANAGER

AA Paulse

CHIEF FINANCIAL OFFICER

FM Lötter

BUSINESS ADDRESS

69 Voortrekker Road
OUDTSHOORN
6625

AUDITORS

Office of the Auditor-General (Western Cape)
Private Bag X1
CHEMPET
7442

PRINCIPLE BANKERS

Standard Bank



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2019

OUDTSHOORN LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

GENERAL INFORMATION

ATTORNEYS

Coetzee and v/d Bergh Attorneys - 41 Baron van Rheede Street, Oudtshoorn.
James King Badenhorst Attorneys - 144 St John Street, Oudtshoorn.
Advocate Metembo - 02 Arend Botha Street, Oudtshoorn.
Stadler & Swart Attorneys - 01 Doneraile Street, George.
Duvenage Jonck and Kayser Inc. - 84 Baron van Rheede Street, Oudtshoorn
Bradley Conradie Halton Cheadle Inc. - The Gatehouse, G04, Century Way, Century City, Cape Town.

RELEVANT LEGISLATION

Basic Conditions of Employment Act (Act no 75 of 1997)
Collective Agreements
Division of Revenue Act
Electricity Act (Act no 41 of 1987)
Employment Equity Act (Act no 55 of 1998)
Housing Act (Act no 107 of 1997)
Infrastructure Grants
Municipal Budget and Reporting Regulations
Municipal Finance Management Act (Act no 56 of 2003)
Municipal Planning and Performance Management Regulations
Municipal Property Rates Act (Act no 6 of 2004)
Municipal Regulations on Standard Chart of Accounts
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Systems Amendment Act (Act no 7 of 2011)
SALGBC Leave Regulations
Skills Development Levies Act (Act no 9 of 1999)
Supply Chain Management Regulations, 2005
The Income Tax Act 1962
Unemployment Insurance Act (Act no 30 of 1966)
Value Added Tax Act
Water Services Act (Act no 108 of 1997)

MEMBERS OF THE OUDTSHOORN LOCAL MUNICIPALITY

WARD

Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor

COUNCILLOR

LPO Wagenaar
RR Wildschut
JC Lambaatjeen
LS Stone
H Botha
MBG Theyse
H Human

PROPORTIONAL

Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor

COUNCILLOR

HG Juthe
JE Floors
JH Tyatya
M Titus
VM Donson
N Magopeni
K Windvogel
CL Cobus
DR Maarman
BV Owen

OUDTSHOORN LOCAL MUNICIPALITY

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements for the year ended 30 June 2019, which are set out on pages 4 to 105 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2020 and am satisfied that the Municipality can continue to operate as a going concern for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements were prepared on the going concern basis.

AA Pause
Municipal Manager

Date

OUDTSHOORN LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2019

	Notes	2019 R	2018 Restated R
ASSETS			
Non-Current Assets		856 689 325	843 650 852
Property, Plant and Equipment	2	826 539 584	813 768 520
Investment Property	3	14 870 991	14 989 690
Intangible Assets	4	1 504 405	1 118 297
Heritage Assets	5	13 774 345	13 774 345
Current Assets		175 542 469	123 267 343
Inventory	8	2 454 745	1 678 095
Receivables from Exchange Transactions	9	41 753 497	40 678 486
Receivables from Non-exchange Transactions	10	8 185 094	9 900 374
Operating Lease Asset	7	616	3 066
Cash and Cash Equivalents	11	123 148 517	71 007 321
Total Assets		1 032 231 794	966 918 195
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		164 566 022	186 458 926
Long-term Borrowings	12	32 230 032	44 863 279
Non-Current Provisions	13	26 987 188	26 231 099
Employee Benefits	14	105 348 802	115 364 549
Current Liabilities		149 649 952	115 576 028
Consumer Deposits	15	9 963 569	9 203 729
Current Employee Benefits	16	24 207 936	22 054 918
Trade and Other Payables from Exchange Transactions	17	55 703 740	51 671 314
Unspent Transfers and Subsidies	18	38 693 720	9 533 642
Taxes	19	5 613 018	7 436 412
Current Portion of Long-term Borrowings	12	15 467 969	15 676 013
Total Liabilities		314 215 974	302 034 954
Net Assets		718 015 820	664 883 241
Accumulated Surplus/(Deficit)		718 015 820	664 883 241
Total Net Assets and Liabilities		1 032 231 794	966 918 194

ODUTSHOORN LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019	2018
		Actual R	Restated R
REVENUE			
Revenue from Non-exchange Transactions		293 027 779	261 817 512
Taxation Revenue		88 172 762	81 990 053
Property Rates	20	88 172 762	81 990 053
Transfer Revenue		171 748 063	167 302 471
Government Grants and Subsidies - Capital	21	40 929 740	53 898 867
Government Grants and Subsidies - Operating	21	130 694 174	113 150 212
Public Contributions and Donations		103 957	58 650
Contributed Property, Plant and Equipment		20 192	194 742
Other Revenue		33 106 954	12 524 989
Actuarial Gains	14	23 873 556	6 766 799
Fines, Penalties and Forfeits		8 952 985	4 874 334
Government Incentives Received		280 413	842 972
Licences and Permits		-	40 884
Revenue from Exchange Transactions		381 784 164	369 413 660
Service Charges	22	334 867 160	326 458 837
Entrance fees		16 567 153	17 604 864
Sales of Goods and Rendering of Services	23	4 506 480	3 929 600
Rental from Fixed Assets	24	3 418 494	3 453 170
Interest Earned - External Investments	25	8 962 709	5 585 737
Interest Earned - Exchange Transactions	26	6 805 155	6 949 384
Agency Services		5 666 131	4 569 746
Operational Revenue	27	990 882	862 321
Total Revenue		674 811 942	631 231 173
EXPENDITURE			
Employee related cost	28	(233 488 152)	(215 633 043)
Remuneration of Councillors	29	(10 886 603)	(10 022 284)
Bad Debts Written Off	9,10	(34 636 459)	(36 122 983)
Contracted Services	30	(23 210 554)	(21 458 584)
Depreciation and Amortisation	31	(40 701 670)	(34 286 161)
Actuarial Losses	14	(2 557 835)	(401 558)
Interest, Dividends and Rent on Land	32	(8 020 704)	(11 575 211)
Bulk Purchases	33	(153 185 855)	(147 637 240)
Inventory Consumed	8	(19 276 285)	(12 703 227)
Operating Leases		(5 481 756)	(4 579 273)
Transfers and Subsidies	34	(3 788 163)	(2 947 142)
Operational Cost	35	(89 975 607)	(77 404 804)
Total Expenditure		(625 209 642)	(574 771 509)
Operating Surplus/(Deficit) for the Year		49 602 301	56 459 664
Reversal of Impairment Loss/(Impairment Loss) on Receivables	36	4 393 105	8 180 474
Gains/(Loss) on Sale of Fixed Assets	37	(862 826)	(2 048 218)
NET SURPLUS/(DEFICIT) FOR THE YEAR		53 132 580	62 591 920

OUDTSHOORN LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2019

	Accumulated Surplus/ (Deficit)	Total
	R	R
Balance at 1 July 2017	594 741 464	594 741 464
Correction of Error - 38.1	7 549 857	7 549 857
Restated balance	602 291 321	602 291 321
Net Surplus/(Deficit) for the year	58 562 636	58 562 636
Net Surplus/(Deficit) previously reported	58 562 636	58 562 636
Balance at 30 June 2018	660 853 957	660 853 957
Correction of Error - note 38.1	4 029 284	4 029 284
Restated balance	664 883 241	664 883 241
Net Surplus/(Deficit) for the year	53 132 580	53 132 580
Balance at 30 June 2019	718 015 820	718 015 820

OUDTSHOORN LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 R	2018 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Ratepayers and other		437 354 713	426 254 945
Government Grants and Subsidies		200 783 038	167 049 079
Interest		15 767 864	12 535 121
Cash payments			
Suppliers and Employees		(522 433 056)	(462 232 645)
Finance Charges		(8 020 704)	(8 180 566)
Transfers and Grants		(3 788 163)	(2 947 142)
Net Cash from Operating Activities	39	119 663 692	132 478 792
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(50 949 289)	(56 055 062)
Proceeds on Disposal of Fixed Assets		-	434 647
Purchase of Intangible Assets		(666 883)	(919 848)
Net Cash from Investing Activities		(51 616 172)	(56 540 264)
CASH FLOW FROM FINANCING ACTIVITIES			
Movement in agreements with suppliers		-	(18 834 732)
Repayment of Borrowing		(15 906 323)	(13 990 598)
Net Cash from Financing Activities		(15 906 323)	(32 825 330)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		52 141 196	43 113 199
Cash and Cash Equivalents at the beginning of the year		71 007 321	27 894 123
Cash and Cash Equivalents at the end of the year	40	123 148 517	71 007 321
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		52 141 196	43 113 199

OUTDSHOORN LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2019

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
		R	R	R	2019 R	%
ASSETS	43.2					
Current Assets						
Cash		11 762 935	(2 512 229)	9 250 706	25 118 106	171.53%
Call Investment Deposits		23 517 921	39 992 255	63 510 176	98 030 410	54.35%
Consumer Debtors		20 961 721	6 704 202	27 665 923	42 049 336	51.99%
Other Debtors		3 119 726	6 927 213	10 046 939	7 889 255	-21.48%
Current Portion of long-term receivables		-	3 066	3 066	616	-79.90%
Inventory		1 771 055	7 726	1 778 781	2 454 745	38.00%
Total Current Assets		61 133 359	51 122 232	112 255 591	175 542 469	56.38%
Non-Current Assets						
Investment Property		63 333 846	3 182 644	66 516 490	14 870 991	-77.64%
Property, Plant and Equipment		750 263 017	71 148 011	821 411 028	826 539 584	0.62%
Intangible Assets		1 809 384	(625 842)	1 183 542	1 504 405	27.11%
Other Non-Current Assets		22 496 805	(2 298 054)	20 198 751	13 774 345	-31.81%
Total Non-Current Assets		837 903 052	71 406 759	909 309 811	856 689 325	-5.79%
TOTAL ASSETS		899 036 411	122 528 991	1 021 565 402	1 032 231 794	1.04%
LIABILITIES	43.2					
Current Liabilities						
Borrowing		13 829 073	1 846 940	15 676 013	15 467 969	-1.33%
Consumer Deposits		9 287 357	579 036	9 866 393	9 963 569	0.98%
Trade and Other Payables		48 905 281	45 955 725	94 861 006	100 010 478	5.43%
Provisions		23 751 465	(373 314)	23 378 151	24 207 936	3.55%
Total Current Liabilities		95 773 176	48 008 387	143 781 563	149 649 952	4.08%
Non-Current Liabilities						
Borrowing		56 283 856	(21 420 577)	34 863 279	32 230 032	-7.55%
Provisions		177 140 465	7 133 365	184 273 830	132 335 990	-28.19%
Total Non-Current Liabilities		233 424 321	(14 287 212)	219 137 109	164 566 022	-24.90%
TOTAL LIABILITIES		329 197 497	33 721 175	362 918 672	314 215 974	-13.42%
NET ASSETS	43.2					
Accumulated Surplus/(Deficit)		569 838 914	88 807 818	658 646 732	718 015 820	9.01%
Reserves		-	-	-	-	-
TOTAL NET ASSETS		569 838 914	88 807 818	658 646 732	718 015 820	9.01%

OUDTSHOORN LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Budget	Actual Outcome 2019	Actual Outcome as % of Final Budget
		R	R	R	R	%
REVENUE	43.2					
Property Rates		87 723 043	540 749	88 263 792	88 172 762	-0.10%
Service Charges - Electricity Revenue		236 916 389	(12 762 015)	224 154 374	222 752 227	-0.63%
Service Charges - Water Revenue		70 098 829	(5 815 397)	64 283 432	61 742 828	-3.95%
Service Charges - Sanitation Revenue		32 684 840	-	32 684 840	32 867 695	0.56%
Service Charges - Refuse Revenue		17 216 108	-	17 216 108	17 504 411	1.67%
Rental of Facilities and Equipment		2 790 026	(33 521)	2 756 505	3 418 494	24.02%
Interest Earned - External Investments		4 482 410	1 400 000	5 882 410	8 962 709	52.36%
Interest Earned - Outstanding Debtors		6 681 816	(229 262)	6 452 554	6 805 155	5.46%
Fines, penalties and forfeits		13 835 602	(6 905 806)	6 929 796	8 952 985	29.20%
Licences and Permits		-	330 296	330 296	-	-100.00%
Agency Services		3 103 763	650 000	3 753 763	5 666 131	50.95%
Transfers Recognised - Operational		109 019 000	20 545 783	129 564 783	130 694 174	0.87%
Other Revenue		26 010 448	(3 122 095)	22 888 353	46 322 441	102.38%
Total Revenue (excluding capital transfers and contributions)		610 562 274	(5 401 268)	605 161 006	633 862 010	4.74%
EXPENDITURE	43.2					
Employee Related Costs		263 060 888	(9 530 442)	253 530 446	233 488 152	-7.91%
Remuneration of Councillors		11 153 630	(42 462)	11 111 168	10 886 603	-2.02%
Debt Impairment		9 961 633	1 500 000	11 461 633	(4 393 105)	-138.33%
Depreciation and Asset Impairment		22 507 471	18 797 676	41 305 147	40 701 670	-1.46%
Finance Charges		19 266 431	(8 970 272)	10 296 159	8 020 704	-22.10%
Bulk Purchases		166 371 750	(9 490 000)	156 881 750	153 185 855	-2.36%
Other Materials		26 370 051	502 289	26 872 340	19 276 285	-28.27%
Contracted Services		22 309 234	12 091 068	34 400 302	23 210 554	-32.53%
Transfers and Grants		2 250 000	2 181 000	4 431 000	3 788 163	-14.51%
Other Expenditure		111 952 188	12 344 293	124 296 481	132 651 657	6.72%
Loss on Disposal of PPE		-	-	-	862 826	100.00%
Total Expenditure		655 203 276	19 383 149	674 586 425	621 679 363	-7.84%
Surplus/(Deficit)		(44 641 002)	(24 784 417)	(69 425 419)	12 182 648	-117.55%
Transfers Recognised - Capital		50 441 000	24 327 051	74 768 051	40 929 740	-45.26%
Contributions Recognised - Capital		-	-	-	-	-
Contributed Assets		-	-	-	20 192	100.00%
Surplus/(Deficit) for the year		5 799 998	(457 366)	5 342 632	53 132 580	894.50%

ODTSHOORN LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
		R	R	R	2019 R	%
CASH FLOW FROM OPERATING ACTIVITIES	43.2					
Receipts						
Ratepayers and Other		471 899 773	(27 402 764)	444 497 009	437 354 713	-1.61%
Government - Operating		159 460 000	44 872 834	204 332 834	200 783 038	-1.74%
Interest		10 963 772	1 177 615	12 141 387	15 767 864	29.87%
Payments						
Suppliers and Employees		(563 956 698)	14 752 293	(549 204 405)	(522 433 056)	-4.87%
Finance costs		(19 266 431)	8 970 272	(10 296 159)	(8 020 704)	-22.10%
Transfers and Grants		(2 250 000)	(2 181 000)	(4 431 000)	(3 788 163)	-14.51%
Net Cash from/(used) Operating Activities		56 850 416	40 189 250	97 039 666	119 663 692	23.31%
CASH FLOW FROM INVESTING ACTIVITIES	43.2					
Receipts						
Proceeds on disposal of PPE			-	-	-	100.00%
Payments						
Capital Assets		(52 858 400)	(32 427 705)	(85 286 105)	(51 616 172)	-39.48%
Net Cash from/(used) Investing Activities		(52 858 400)	(32 427 705)	(85 286 105)	(51 616 172)	-39.48%
CASH FLOW FROM FINANCING ACTIVITIES	43.2					
Payments						
Repayment of Borrowing		(8 929 482)	(1 070 518)	(10 000 000)	(15 906 323)	59.06%
Net Cash from/(used) Financing Activities		(8 929 482)	(1 070 518)	(10 000 000)	(15 906 323)	59.06%
NET INCREASE/(DECREASE) IN CASH HELD		(4 937 466)	6 691 027	1 753 561	52 141 196	2873.45%
Cash and Cash Equivalents at the year begin:		40 218 323	30 788 998	71 007 321	71 007 321	0.00%
Cash and Cash Equivalents at the year end:		35 280 857	37 480 025	72 760 882	123 148 517	69.25%

		2019 R	2018 R
2. PROPERTY, PLANT AND EQUIPMENT			
<u>Inserted sheet</u>	page 43 page 44 page 45		
2.2 Property, Plant and Equipment which is in the process of being constructed or developed:			
Infrastructure Assets		71 123 693	92 083 611
Roads		-	17 813 055
Electricity		3 601 387	1 028 752
Water Supply		64 922 725	67 827 617
Sanitation		2 599 582	52 043
Solid Waste		-	5 362 143
Community Assets		58 320	82 673
Total Property, Plant and Equipment under construction		71 182 013	92 166 284
2.3 Property, Plant and Equipment that is taking a significantly longer period of time to complete than expected:			
Infrastructure Assets		58 208 667	53 532 961
Water Supply		58 208 667	53 532 961
Total		58 208 667	53 532 961
Blossoms pipeline disclosed as taking longer than expected, due to funding from RBIG and WSIG cancelled prior years. Drought relief subsidy from WSIG only made available again from 2018/19.			
2.4 Expenditure incurred to repair and maintain Property, Plant and Equipment:			
Other materials		13 137 486	7 854 255
Contracted Services		3 767 461	8 056 039
Other Expenditure		72 882	11 746
Total Repairs and Maintenance		16 977 829	15 922 040
2.5 Impairment losses of Property, Plant and Equipment			
Impairment losses on Property, Plant and Equipment recognised in Statement of Financial Performance are as follows:			
Land & Buildings		-	18 313 784
Community Assets		-	27 970 501
Investment Property		-	3 073 079
Total Impairment Losses		-	49 357 365
2.6 Reversal of Impairment losses of Property, Plant and Equipment			
Reversal of Impairment losses on Property, Plant and Equipment recognised in statement of financial performance are as follows:			
Infrastructure		-	114 708
Community Assets		-	114 708
Other		-	-
Total Reversal of Impairment losses		-	114 708
2.7 Effect of changes in accounting estimates			
	2018 R	2019 R	2020 R
Effect on Property, plant and equipment	492 311	151 940	(1 361 028)

	2019 R	2018 R
2.8 Contractual commitments for acquisition of Property, Plant and Equipment:		
Approved and contracted for:	46 455 991	13 425 089
Infrastructure	46 455 991	13 425 089
Total	46 455 991	13 425 089
 This expenditure will be financed from:		
Own Resources	12 166 038	-
Government Grants	34 289 953	13 425 089
Total	46 455 991	13 425 089
 3. INVESTMENT PROPERTY		
3.1 Net Carrying amount at 1 July	14 989 690	15 108 390
Cost/Valuation	19 368 000	84 601 654
Correction of Error note 38.1(mm)	-	(65 233 654)
Accumulated Depreciation	(1 305 230)	(16 564 460)
Correction of Error note 38.1(mm)	-	15 377 929
Accumulated Impairment Loss	(3 073 079)	-
Correction of Error note 38.1(mm)	-	(3 073 079)
Additions	-	130 752
Transfer to Community Assets	-	(130 752)
Depreciation for the year	(118 700)	(1 651 455)
Correction of Error note 38.1(mm)	-	1 532 756
Net Carrying amount at 30 June	14 870 991	14 989 690
Cost/Valuation	19 368 000	19 368 000
Accumulated Depreciation	(1 423 930)	(1 305 230)
Accumulated Impairment Loss	(3 073 079)	(3 073 079)
 There are no restrictions on the realizability of Investment Property or the remittance of revenue and proceeds of disposal.		
There are no contractual obligation to purchase, construct or develop investment property or for repairs, maintenance or enhancements.		
Estimate Fair Value of Investment Property at 30 June	14 870 991	14 989 690
 3.2 Revenue from Investment Property		
Revenue derived from the rental of Investment Property	397 461	373 613

	2019 R	2018 R
4. INTANGIBLE ASSETS		
4.1 Net Carrying amount at 1 July	1 118 297	359 950
Cost	2 265 697	1 578 627
Correction of error note 38.1(y)		(232 779)
Accumulated Amortisation	(1 147 399)	(1 157 243)
Correction of error note 38.1(z)	-	171 345
Additions	666 883	950 314
Correction of error note 38.1(y)	-	(30 466)
Amortisation	(280 775)	(188 157)
Correction of error note 38.1(z)	-	26 656
Net Carrying amount at 30 June	1 504 405	1 118 297
Cost	2 932 580	2 265 697
Accumulated Amortisation	(1 428 175)	(1 147 399)

4.2 Material Intangible Assets included in the carrying value:

<u>Description</u>	<u>Remaining Amortisation Period</u>		
Software	4-5	1 504 405	1 118 297

No intangible asset were assed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There age no intangible assets pledged as security for liabilities.

There are no contractual commitments for the acquisition of intangible assets.

5. HERITAGE ASSETS

5.1 Net Carrying amount at 1 July	13 774 345	13 774 345
Cost	13 774 345	13 774 345
Additions		
Net Carrying amount at 30 June	13 774 345	13 774 345
Cost	13 774 345	13 774 345

There are no restrictions on the realizability of Heritage Assets or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop Heritage Assets or for repairs, maintenance or enhancements.

There are no Heritage Assets pledged as security for liabilities

There are no Heritage Assets that are used by the municipality for more than one purpose.

Rust en Vrede Waterfall

The Rust & vrede Waterfall is engraved into the heart of the Swartberg Mountain. The Waterfall is situated on a scenic detour branching off the R328, 18km from Oudtshoorn on the way to the Cango Caves on erf 25. It is classified as a heritage asset controlled and owned by the Municipality.

From this waterfall, Oudtshoorn acquires its water supply which is carried by a pipeline, 35 km in length, to the town reservoir and the Raubenheimer Dam.

The Rust and Vrede Waterfall is an asset that was not purchased or contributed. It could not be reliably measured as this is not a manmade structure and no market value exists as this is a unique natural landmark. This asset lacks comparability to other assets in the municipality. The cash flow method could not be used to obtain a value, as it is impractical to place a value on a natural landmark.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Herrie's Stone, Meiringspoort, Oudtshoorn District

The Afrikaans writer, C J Langenhoven, chiselled the name of the well-known elephant 'Herrie', from his book 'Sonde met die Bure', on this rock in July 1929.

This has been declared as a Heritage Site.

This heritage asset's value could not be reliably measured as it was not purchased nor is there an active market for it and there is no alternative method for valuating this heritage asset.

The following Heritage Assets were identified and measured in terms of GRAP:

Cango Caves

This famous attraction is situated in the Cango ward 29 km north of Oudtshoorn and situated on erf 28. It is classified as a heritage asset and controlled by the Municipality.

The entrance is in the face of a hill beside the Grobbelaar's River. The maxe of caves with their beautiful stalactite formations are most impressive. It is generally accepted that the caves were discovered in 1780 by a herdsman of a farmer called Van Zyl of Doornrivier, while he was looking for lost cattle.

11 796 645 11 796 645

CP Nel Museum Building

The building reflects a late Victorian Colonial style of a classical building and dates from about 1909 and for some half a century served as a boys' school. In 1980 the building complex was declared a National Monument and is owned by the Municipality.

1 940 000 1 940 000

Mayoral Chains

The municipality has two mayoral chains which are kept in a safe at the main building.

37 700 37 700

5.2 Expenditure incurred to repair and maintain Heritage Assets:

Inventory Consumed

217 742 194 484

Contracted Services

- 140 052

Total Repairs and Maintenance

217 742 334 536

	2019 R	2018 R
7. OPERATING LEASE ASSETS		
7.1 The Municipality as Lessor		
Operating Lease Asset	616	3 066
<u>Disclosed as follows:</u>		
Non-Current Operating Lease Asset	616	3 066
Current Operating Lease Asset	616	3 066
Reconciliation		
Balance at the beginning of the year	3 066	8 181
Movement during the year	(2 450)	(5 115)
Balance at the end of the year	616	3 066
At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:		
Up to 1 Year	7 503	59 913
1 to 5 Years	-	7 503
Total Operating Lease Arrangements	7 503	67 417
This operating lease income determined from contracts that have a specific condition income and does not include leases which has a undetermined conditional income.		
8. INVENTORY		
Maintenance Materials - At Cost	1 981 053	1 236 173
Water – At Cost	473 691	441 923
Total Inventory	2 454 745	1 678 095
The municipality recognised only purification costs in respect of non-purchased purified water inventory.		
8.1 Inventories recognise as an expense during the year:		
Consumables	10 000 986	4 265 141
Correction of error as per note 38.1(f)(m)		77 159
Finished Goods	30 533	-
Materials and supplies	9 244 765	8 360 926
Total	19 276 285	12 703 227

	2019 R	2018 R
9. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Electricity	18 155 976	19 972 192
Water	22 766 527	25 396 161
Property Rentals	506	590
Waste Management	10 412 649	11 470 886
Waste Water Management	12 620 038	13 479 941
Units not billed	11 658 586	6 947 073
Legal Fees Recovery	727 184	727 184
Klein Karoo Water Scheme	3 336 627	3 362 475
Sundry municipal charges	6 221 095	5 816 667
Prepaid expenditure	38 748	17 529
Other	23 421	25 953
Suspense Debtors	2 429 376	1 195 159
Correction of Error - refer to note 38.1(d)	-	43 839
Total: Receivables from exchange transactions (before provision)	88 390 733	88 455 648
Less: Provision for Debt Impairment	(46 637 236)	(47 777 162)
Total: Receivables from exchange transactions (after provision)	41 753 497	40 678 486

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.

The fair value of receivables approximate their carrying value.

(Electricity): Ageing

Current (0 - 30 days)	9 783 966	10 969 945
31 - 60 Days	870 613	1 038 355
61 - 90 Days	519 949	544 730
+ 90 Days	6 981 448	7 419 163
Total	18 155 976	19 972 192

(Water): Ageing

Current (0 - 30 days)	3 823 655	4 931 866
31 - 60 Days	1 245 666	1 262 767
61 - 90 Days	1 077 780	1 274 626
+ 90 Days	16 619 426	17 926 902
Total	22 766 527	25 396 161

(Property Rentals): Ageing

Current (0 - 30 days)		
31 - 60 Days		
61 - 90 Days		
+ 90 Days	506	590
Total	506	590

(Waste Management): Ageing

Current (0 - 30 days)	1 446 668	1 463 600
31 - 60 Days	395 790	554 677
61 - 90 Days	274 689	260 687
+ 90 Days	8 295 501	9 191 921
Total	10 412 649	11 470 886

(Waste Water Management): Ageing

Current (0 - 30 days)	2 340 827	2 277 087
31 - 60 Days	514 095	638 687
61 - 90 Days	328 132	310 572
+ 90 Days	9 436 983	10 253 595
Total	12 620 038	13 479 941

OUDTSHOORN MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
<u>(Units not billed): Ageing</u>		
Current (0 - 30 days)	11 658 586	6 947 073
31 - 60 Days		
61 - 90 Days		
+ 90 Days		
Total	11 658 586	6 947 073
<u>(Legal Fees Recovery): Ageing</u>		
Current (0 - 30 days)		
31 - 60 Days		
61 - 90 Days		
+ 90 Days	727 184	727 184
Total	727 184	727 184
<u>(Klein Karoo Water Scheme): Ageing</u>		
Current (0 - 30 days)	257 363	437 093
31 - 60 Days	145 191	240 274
61 - 90 Days	130 896	146 077
+ 90 Days	2 803 177	2 539 032
Total	3 336 627	3 362 475
<u>(Sundry municipal charges): Ageing</u>		
Current (0 - 30 days)	628 960	568 243
31 - 60 Days	446 184	387 105
61 - 90 Days	90 036	139 972
+ 90 Days	7 485 292	5 960 344
Total	8 650 471	7 055 665
<u>(Prepaid expenditure): Ageing</u>		
Current (0 - 30 days)	38 748	17 529
Total	38 748	17 529
<u>(Other): Ageing</u>		
Current (0 - 30 days)		-
31 - 60 Days	10	289
61 - 90 Days	-	-
+ 90 Days	23 410	25 664
Total	23 421	25 953
<u>(Total): Ageing</u>		
Current (0 - 30 days)	29 978 773	27 612 438
31 - 60 Days	3 617 551	4 122 153
61 - 90 Days	2 421 482	2 676 664
+ 90 Days	52 372 928	54 044 394
Total	88 390 733	88 455 648

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Summary of Service Debtors by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
30 June 2019				
Current (0 - 30 days)	237 698	13 746 587	5 951 632	-1 294 563
31 - 60 Days	173 907	3 809 034	605 096	52 930
61 - 90 Days	141 677	2 704 273	176 331	33 078
+ 90 Days	6 088 277	52 174 303	3 417 912	372 559
Total debtors by customer classification	6 641 560	72 434 197	10 150 972	-835 996

Summary of Service Debtors by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
30 June 2018				
Current (0 - 30 days)	566 550	18 175 460	5 831 114	2 995 463
31 - 60 Days	268 365	3 173 860	642 116	37 812
61 - 90 Days	174 557	2 262 525	210 301	29 281
+ 90 Days	6 039 171	45 189 554	2 423 641	435 877
Total debtors by customer classification	7 048 643	68 801 400	9 107 173	3 498 432

Reconciliation of Provision for Debt Impairment

Balance at beginning of year		47 777 162	51 880 376
Contribution to provision		16 564 205	19 532 892
Bad Debts Written Off		(17 704 131)	(23 636 106)
Balance at end of year		46 637 236	47 777 162

The total amount of this provision is R46 637 236 and consist of:

Services	46 637 236	47 777 162
Total Provision for Debt Impairment on Receivables from exchange transactions	46 637 236	47 777 162

Ageing of amounts past due but not impaired:

Service Debtors	11 774 724	13 066 048
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The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

10 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Taxes - Rates	21 544 971	20 036 542
Fines	7 889 255	11 703 633
Correction of error note 38.1(ii)	-	973 400
Correction of error note 38.1(ii)	-	1 689 110
Suspense Debtors	-	-
	29 434 226	34 402 686
Less: Provision for Debt Impairment	(21 249 132)	(22 098 155)
Correction of error note 38.1(ii)	-	(878 947)
Correction of error note 38.1(ii)	-	(1 525 209)
Total Receivables from non-exchange transactions	8 185 094	9 900 374

The fair value of other receivables approximate their carrying value.

Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.

	2019 R	2018 R
<u>(Rates): Ageing</u>		
Current (0 - 30 days)	5 316 053	5 742 698
31 - 60 Days	1 023 412	1 060 205
61 - 90 Days	669 873	717 441
+ 90 Days	14 535 633	12 516 199
Total	21 544 971	20 036 542

<u>(Fines): Ageing</u>		
Current (0 - 30 days)	595 000	423 850
31 - 60 Days	807 500	400 300
61 - 90 Days	641 350	297 050
+ 90 Days	5 845 405	13 244 943
Total	7 889 255	14 366 143

Summary of Debtors (Rates) by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
30 June 2019				
Current (0 - 30 days)	33 257	4 970 878	311 101	817
31 - 60 Days	5 190	991 737	25 683	803
61 - 90 Days	802	648 769	19 499	803
+ 90 Days	8 053 289	13 912 470	456 877	2 252
Total debtors by customer classification	8 092 539	20 523 854	813 159	4 673

Summary of Debtors (Rates) by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
30 June 2018				
Current (0 - 30 days)	34 847	5 376 087	314 501	17 263
31 - 60 Days	4 411	1 012 895	30 323	12 577
61 - 90 Days	2 021	681 885	20 350	13 184
+ 90 Days	14 399 242	12 035 637	383 945	63 517
Total debtors by customer classification	14 440 521	19 106 504	749 119	106 541

Reconciliation of Provision for Debt Impairment

Balance at beginning of year	24 502 311	26 080 962
Contribution to provision	13 679 148	10 908 227
Bad Debts Written Off	(16 932 328)	(12 486 878)
Reversal of provision		
Balance at end of year	21 249 132	24 502 311

The total amount of this provision is R21 249 132' and consist of:

Taxes	13 988 692	11 725 113
Fines	6 562 471	12 079 230
Other	697 968	697 968
Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions	21 249 132	24 502 311

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
<u>Ageing of amounts past due but not impaired:</u>		
Rates	2 240 225	2 568 731
Fines	731 784	1 863 063
	2 972 009	4 431 794

The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

The outstanding fine receivable balance at year end is reduced to its recoverable amount by recognising a provision for impairment against the receivable raised. This is considered to be a subsequent event. The provision for impairment is based on current and past collection rates applicable to fines.

11. CASH AND CASH EQUIVALENTS

11.1 Cash and Cash Equivalents

Call Deposits and Investments	98 030 410	63 510 176
Cash At Bank	25 080 246	7 459 285
Cash On-hand	37 860	37 860
Total Cash and Cash Equivalents - Assets	123 148 517	71 007 321

Call Investments Deposits to an amount of R38 693 720 are held to fund the Unspent Conditional Grants (2018: R9 533 642).

The municipality has the following bank accounts:

Primary Accounts

ABSA Bank 4085827851	-	5 619 053
ABSA Bank 4085372149	-	1 469 079
ABSA Bank 4085866467	-	256 301
ABSA Bank 4085866522	-	11 839
ABSA Bank 4085866271	-	103 013
Standard bank 082808678	461 385	-
Standard bank 082808724	24 530 401	-
Standard Bank 08288988	88 460	-
Standard Bank 082809097	-	-
	25 080 246	7 459 285

Call Deposits and Investments

Nedbank Account no 03 / 7881019344 / 29	103 022	97 123
Nedbank Account no 03/7881001143-161	-	6 605 738
Nedbank Account no 03/7881001143/176	-	31 795
Nedbank Account no 03/7881001143/176	-	32 334
Nedbank Account no 03/7881001143/177	-	573 867
Nedbank Account no 03/7881001143/178	-	2 296 354
Nedbank Account no 03/7881001143/179	-	2 180 694
Nedbank Account no 03/7881001143/180	-	4 569 159
Nedbank Account no 03/7881001143/204	7 003 609	-
Nedbank Account no 03/7881001143/208	6 642 532	-
Nedbank Account no 03/7881001143/210	1 713 516	-
Nedbank Account no 03/7881001143/212	2 633 098	-
Nedbank Account no 03/7881001143/213	4 585 313	-
Nedbank Account no 03/7881001143/214	10 849 399	-
Nedbank Account no 03/7881001143/215	8 513 429	-
Standard Bank Account no288835379-016	20 060 310	-
Standard Account no 288835379009	-	6 163 786
Standard Account no 288835379010	-	15 946 505
Investec account no 1400-171058-500	27 887 372	16 415 115
Investec account no 1400-171058 501	7 338 810	8 597 713
Investec account no 1400-171058 451	700 000	-
	98 030 410	63 510 182

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Primary banking details changed from ABSA to Standard bank on the 1 July 2018. The ABSA accounts were closed for transacting on 31 December 2018 and all funds transferred to Standard Bank Primary bank

Details of current accounts are as follow:

	2019 R	2018 R
ABSA Bank 4085827851 / Standard bank 082808678 (Primary Bank Account)		
Cash book balance at beginning of year	5 619 053	2 516 131
Cash book balance at end of year	461 385	5 619 053
Bank statement balance at beginning of year	5 619 053	2 442 044
Bank statement balance at end of year	461 385	5 619 053
ABSA Bank 4085372149 / Standard bank 082808724 (Primary Bank Account)		
Cash book balance at beginning of year	1 469 079	1 516 478
Cash book balance at end of year	24 530 401	1 469 079
Bank statement balance at beginning of year	50 000	50 000
Bank statement balance at end of year	22 737 552	50 000
ABSA Bank 4085866467 / Standard Bank 08288988 (Primary Bank Account - CAVES)		
Cash book balance at beginning of year	256 301	151 764
Cash book balance at end of year	88 460	256 301
Bank statement balance at beginning of year	203 501	151 764
Bank statement balance at end of year	26 155	203 501
ABSA Bank 4085866271/Standard Bank (Traffic Account)		
Cash book balance at beginning of year	103 013	146 944
Cash book balance at end of year	-	103 013
Bank statement balance at beginning of year	103 013	146 944
Bank statement balance at end of year	-	103 013
ABSA Bank 4085866271 / Standard Bank 082809097(Traffic Account)		
Cash book balance at beginning of year	11 839	7 077
Cash book balance at end of year	-	11 839
Bank statement balance at beginning of year	11 839	7 707
Bank statement balance at end of year	-	11 839

12. LONG-TERM BORROWINGS

Annuity Loans - At amortised cost	40 942 662	50 787 593
Capitalised Lease Liability - At amortised cost	6 755 340	9 751 699
	47 698 001	60 539 292
Less: Current Portion transferred to Current Liabilities	(15 467 969)	(15 676 013)
Annuity Loans - At amortised cost	(10 838 179)	(9 844 931)
Capitalised Lease Liability - At amortised cost	(4 629 790)	(5 831 082)
	32 230 032	44 863 279
Total Long-term Borrowings	32 230 032	44 863 279

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

		2019 R	2018 R
12.1	The obligations under annuity loans are scheduled below:		
		Minimum payments	
	Amounts payable under annuity loans:		
	Payable within one year	14 874 329	14 998 075
	Payable within two to five years	33 307 239	48 181 567
	Payable after five years	2 808 790	2 808 790
		50 990 357	65 988 432
	Less: Future finance obligations	(10 047 696)	(15 200 840)
	Present value of annuity loans obligations	40 942 661	50 787 593

12.2	The obligations under financial vehicle leasing are scheduled below:		
		Minimum payments	
	Amounts payable under finance leases:		
	Payable within one year	5 042 370	6 684 318
	Payable within two to five years	2 345 127	3 955 427
		7 387 497	10 639 746
	Less: Future finance obligations	(631 867)	(890 525)
	Present value of finance lease obligations	6 755 631	9 749 221

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

13.	NON-CURRENT PROVISIONS		
	Provision for Rehabilitation of Landfill-sites	26 987 188	26 231 099
	Total Non-current Provisions	26 987 188	26 231 099

13.1	Landfill Sites		
	Balance 1 July	26 231 099	54 260 486
	Correction of error note 38.1(q)	-	(31 424 032)
	Correction of error note 38.1(r)	-	-
	Contribution for the year	756 090	4 218 202
	Correction of error note 38.1(r)	-	(823 556)
	Total provision 30 June	26 987 188	26 231 099
	Balance 30 June	26 987 188	26 231 099

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows

	De Rust (Closed)	De Rust(Operatio nal)	Dysselsdorp(Closed)	Dysselsdorp(Op erational)	Oudtshoorn
Rehabilitation Area(m²)	5223	5015	2 253	6 479	107 824
Costs of Rehabilitation and Closure:					
Preliminary and General	367 357	358 745	203 531	453 699	4 654 383
Site Clearance and Preparation	16 087	15 446	6 939	19 955	332 098
Storm Water Control Measures	486 902	492 854	336 258	706 654	3 330 504
Capping	1 311 907	1 260 438	568 714	1 638 423	28 364 822
Gas Management	-	-	-	-	-
Leachate Management	179 607	181 474	125 935	194 542	1 207 832
Fencing	629 475	612 255	415 943	681 136	10 333
Other:					
Environmental Authorisation (Closure Licence)	-	438 691	-	438 691	438 691
Technical ROD	92 644	92 644	92 644	92 644	92 644
Install Groundwater Monitoring Boreholes	122 446	166 426	163 084	163 084	-
Landscape Architects	123 111	123 111	123 111	123 111	123 111
Water use licence	18 212	18 212	18 212	18 212	18 212
Topographical survey	5 830	5 830	5 830	5 830	8 707
Contingencies	299 134	292 121	165 732	369 441	3 789 997
Engineering: Professional Fees	246 785	241 000	136 729	304 789	3 126 748
Site Supervision (Engineering Representative)	424 648	424 648	387 526	430 584	1 563 324
Site Supervision (Environmental Control Officer)	131 852	131 852	110 650	122 944	454 893
Total(Exl VAT)	4 455 999	4 855 748	2 860 839	5 763 740	47 516 299
Cost per rehab (m2)					
Estimated construction period (weeks)					

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The municipality has an obligation to rehabilitate landfill sites at the end of the expected useful life of the asset. The future estimate cost discounted with the CPI rate and date of decommission of the sites are as follows:

		2019 R	2018 R
Location	Estimated decommission date		
De Rust (Closed)	2014	4 656 518	4 470 799
De Rust(Operational)	2025	6 323 447	6 270 014
Dysselsdorp(Closed)	2013	2 989 576	2 960 326
Dysselsdorp(Operational)	2024	7 182 669	7 109 476
Oudtshoorn	2055	231 754 974	226 139 159
		252 907 185	246 949 774

14. NON-CURRENT EMPLOYEE BENEFITS

Provision for Post Retirement Health Care Benefits	95 541 413	108 176 479
Provision for Long Service Awards	9 807 389	7 188 070
Total Non-current Employee Benefits	105 348 802	115 364 549

Post Retirement Health Care Benefits

Balance 1 July	112 470 983	108 186 409
Contribution for the year	5 475 886	4 823 488
Interest Cost	10 562 675	10 279 690
Expenditure for the year	(4 445 027)	(4 051 805)
Actuarial Loss/(Gain)	(23 873 556)	(6 766 799)
Total provision 30 June	100 190 961	112 470 983
Less: Transfer of Current Portion to Current Provisions - Note 14	(4 649 548)	(4 294 504)
Balance 30 June	95 541 413	108 176 479

Long Service Awards

Balance 1 July	8 614 284	8 051 386
Contribution for the year	700 286	633 996
Interest Cost	671 250	633 343
Expenditure for the year	(1 563 883)	(1 105 999)
Actuarial Loss/(Gain)	2 557 835	401 558
Total provision 30 June	10 979 772	8 614 284
Less: Transfer of Current Portion to Current Provisions - Note 14	(1 172 383)	(1 426 214)
Balance 30 June	9 807 389	7 188 070

14.1 Provision for Post Retirement Health Care Benefits

The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	318	302
In-service (employee) non-members	400	377
Continuation members (e.g. Retirees, widows, orphans)	98	96
Total Members	816	775

	2019 R	2018 R
The liability in respect of past service has been estimated to be as follows:		
In-service members	33 919 383	45 926 296
In-service non-members	5 085 884	12 624 717
Continuation members	61 185 693	53 919 969
Total Liability	100 190 960	112 470 982

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2017 R	2016 R	2015 R
In-service members	46 421	47 218	95
In-service non-members	11 261	11 964	–
Continuation members	50 504	49 484	–
Total Liability	108 186	108 666	94 632

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas;
LA Health;
Hosmed;
Samwumed; and
Keyhealth.

The Current-service Cost for the current year is estimated to be R5 475 886, whereas the Current-service Cost for the ensuing year estimated at R3 792 906

Key actuarial assumptions used:	2019 %	2018 %
i) Rate of interest		
Discount rate	9.32%	9.57%
Health Care Cost Inflation Rate	6.78%	7.36%
Net Effective Discount Rate	2.38%	2.06%
ii) Mortality rates		
PA(90) -1 with a 1% mortality improvement p.a from 2010		
iii) Normal retirement age		
The normal retirement age for employees of the municipality is 62 years.		
iv) Expected rate of salary increases		
2018/19 - Average CPI (Feb 2017 – Jan 2018) + 1 per cent		
The three-year Salary and Wage Collective Agreement ends on 30 June 2018.		

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	100 190 961	112 470 983
Fair value of plan assets	-	-
	100 190 961	112 470 983
Unrecognised actuarial gains/(losses)	-	-
Present Value of unfunded obligations	-	-
Net liability/(asset)	100 190 961	112 470 983

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	112 470 983	108 186 409
Total expenses	11 593 534	11 051 373
Current service cost	5 475 886	4 823 488
Interest Cost	10 562 675	10 279 690
Benefits Paid	(4 445 027)	(4 051 805)
Actuarial (gains)/losses	(23 873 556)	(6 766 799)
Present value of fund obligation at the end of the year	100 190 961	112 470 983

Sensitivity Analysis on the Accrued Liability on 30 June 2019

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)
Assumption			
Central Assumptions	39 005	61 186	100 191

The effect of movements in the assumptions are as follows:

	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Assumption					
Health care inflation	1%	47 595	67 788	115 382	15%
Health care inflation	-1%	32 279	55 541	87 820	-12%
Discount rate	1%	32 471	55 709	88 180	-12%
Discount rate	-1%	47 457	67 686	115 143	15%
Post-retirement mortality	-1 year	40 144	63 327	103 471	3%
Average retirement age	-1 year	42 702	61 186	103 888	4%
Continuation of membership at retirement	-10%	31 444	61 186	92 630	-8%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2019

	Current Service Cost (R)	Interest Cost (R)	Total (R)
Assumption			
Central Assumptions	5 475 900	10 562 700	16 038 600

The effect of movements in the assumptions are as follows:

	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Assumption					
Health care inflation	1%	6 712 800	12 210 600	18 923 400	18%
Health care inflation	-1%	4 503 800	9 213 700	13 717 500	-14%
Discount rate	1%	4 570 300	10 215 200	14 785 500	-8%
Discount rate	-1%	6 636 100	10 916 900	17 553 000	9%
Post-retirement mortality	-1 year	5 633 900	10 912 000	16 545 900	3%
Average retirement age	-1 year	5 961 300	11 067 300	17 028 600	6%
Withdrawal Rate	-50%	4 529 900	9 692 000	14 221 900	-11%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2020

	Current Service Cost (R)	Interest Cost (R)	Total (R)
Assumption			
Central Assumptions	3 792 900	9 126 000	12 918 900

The effect of movements in the assumptions are as follows:

	Change	Current Service Cost	Interest Cost (R)	Total (R)	% change
Assumption					
Health care inflation	1%	4 696 400	10 540 800	15 237 200	18%
Health care inflation	-1%	3 095 700	7 974 000	11 069 700	-14%
Discount rate	1%	3 143 900	8 866 200	12 010 100	-7%
Discount rate	-1%	4 639 000	9 390 300	14 029 300	9%
Post-retirement mortality	-1 year	3 902 900	9 431 700	13 334 600	3%
Average retirement age	-1 year	3 997 900	9 470 500	13 468 400	4%
Withdrawal Rate	-50%	2 983 900	8 421 200	11 405 100	-12%

	2019 Rm	2018 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	(23 873.556)	(6 766 799)

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2017 Rm	2016 Rm	2015 Rm
Liabilities: (Gain) / loss	2 013	3 390	(1 156)

14.2 Provision for Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 718 employees were eligible for Long Service Bonuses.

The Current-service Cost for the year ending 30 June 2019 is R700 286 whereas the Current-service Cost for the ensuing year is estimated to be R1 002 854

Key actuarial assumptions used:

i) Rate of interest

	2019 %	2018 %
Discount rate	8.22%	8.48%
General Salary Inflation (long-term)	5.59%	6.10%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	2.49%	2.24%

The amounts recognised in the Statement of Financial Position are as follows:

	2019 R	2018 R
Present value of fund obligations	10 979 772	8 614 284
Fair value of plan assets	-	-
	<u>10 979 772</u>	<u>8 614 284</u>
Unrecognised actuarial gains/(losses)	-	-
Present value of unfunded obligations	-	-
Net liability/(asset)	<u>10 979 772</u>	<u>8 614 284</u>

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	8 614 284	8 051 386
Total expenses	(192 347)	161 340
Current service cost	700 286	633 996
Interest Cost	671 250	633 343
Benefits Paid	(1 563 883)	(1 105 999)
Actuarial (gains)/losses	2 557 835	401 558
Present value of fund obligation at the end of the year	<u>10 979 772</u>	<u>8 614 284</u>

Sensitivity Analysis on the Accrued Liability on 30 June 2019

Assumption	Change	Liability (Rm)	% change
Central assumptions		10 980	
General salary inflation	1%	11 745	7%
General salary inflation	-1%	10 292	-6%
Discount rate	1%	10 265	-7%
Discount rate	-1%	11 788	7%
Average retirement age	-2 yrs.	9 556	-13%
Average retirement age	2 yrs.	12 628	15%
Withdrawal rates	-50%	12 566	14%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2019

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)
Central Assumptions	700 300	671 300	1 371 600

The effect of movements in the assumptions are as follows:

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Health care inflation	1%	755 300	713 500	1 468 800	7%
Health care inflation	-1%	651 000	632 700	1 283 700	-6%
Discount rate	1%	655 200	705 200	1 360 400	-1%
Discount rate	-1%	751 400	632 000	1 383 400	1%
Post-retirement mortality	-1 year	595 600	551 800	1 147 400	-16%
Average retirement age	-1 year	801 800	780 000	1 581 800	15%
Withdrawal Rate	-50%	920 200	798 200	1 718 400	25%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2020

		Current	Interest Cost (R)	Total (R)	
Assumption					
Central Assumptions				-	
The effect of movements in the assumptions are as follows:					
	Change	Current	Interest Cost (R)	Total (R)	% change
Assumption		1 002 900	855 300	1 858 200	
Health care inflation	1%	1 097 700	918 200	2 015 900	8%
Health care inflation	-1%	919 500	798 700	1 718 200	-8%
Discount rate	1%	926 000	893 600	1 819 600	-2%
Discount rate	-1%	1 091 400	809 500	1 900 900	2%
Post-retirement mortality	-1 year	890 000	738 300	1 628 300	-12%
Average retirement age	-1 year	1 133 400	987 900	2 121 300	14%
Withdrawal Rate	-50%	1 237 500	985 700	2 223 200	20%
				2019	2018
				Rm	Rm
Experience adjustments were calculated as follows:				566 124	499 606
Liabilities: (Gain) / loss					
Assets: Gain / (loss)					
The liability in respect of periods commencing prior to the comparative year has been estimated as follows:					
		2017		2016	2015
		R		R	R
Liabilities: (Gain) / loss			(178 280)	(70 267)	713 251
Assets: Gain / (loss)					

14.3 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

CONSOLIDATED RETIREMENT FUND

The contribution rate paid by the members (9,0%) and Council (18,0%). The last statutory valuation performed as at 30 June 2017 revealed that the assets of the fund amounted to R21,359,000,000 (30 June 2016: R20,075,000,000), with funding levels of 127.3% and 100% (30 June 2016 118.0% and 100%) for the Pensions Account and the Share Account respectively. The Preservation Pension Account showed a surplus of R0 and was 100% funded for both 2017 & 2016. The contribution rate paid by the members (7,50%/9%) and the municipalities (19,50%/18%) is sufficient to fund the benefits accruing from the fund in the future. The actuary certified that the structure of the assets is appropriate relative to the nature of the liabilities, given normal circumstances and that the Fund is in a sound financial condition as at the valuation date.

Contributions paid recognised in the Statement of Financial Performance

23 050 945

20 194 963

DEFINED CONTRIBUTION FUNDS

Council contribute does not contribute to Government Employees Pension Fund, Municipal Council Pension Fund, IMATU Retirement Fund and SAMWU National Provident Fund which are defined contribution funds.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
15. CONSUMER DEPOSITS		
Electricity	4 087 900	3 892 019
Rental Properties	125 325	124 903
Water	4 768 456	4 391 288
Building Plans	981 888	795 518
Total Consumer Deposits	9 963 569	9 203 729

16. CURRENT EMPLOYEE BENEFITS		
Performance Bonuses	886 921	876 921
Staff Bonuses	6 106 817	5 090 814
Staff Leave	11 391 222	10 365 421
Other	1 045	1 045
Current Portion of Non-Current Provisions	5 821 931	5 720 718
Current Portion of Post Retirement Benefits - Note 14	4 649 548	4 294 504
Current Portion of Long-Service Provisions - Note 14	1 172 383	1 426 214
Total Current Employee Benefits	24 207 936	22 054 918

The movement in current provisions are reconciled as follows:

16.1 Performance Bonuses		
Balance at beginning of year	876 922	364 246
Contribution to current portion	896 922	683 376
Expenditure incurred	(886 921)	(170 700)
Balance at end of year	886 922	876 922

Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the council. There is no possibility of reimbursement.

16.2 Staff Bonuses		
Balance at beginning of year	5 090 813	4 049 364
Contribution to current portion	11 169 110	9 154 805
Expenditure incurred	(10 153 106)	(8 113 355)
Balance at end of year	6 106 817	5 090 813

Bonuses are being paid to all municipal staff, excluding section 57 employees. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

16.3 Staff Leave		
Balance at beginning of year	10 368 939	9 369 282
Contribution to current portion	1 962 527	2 197 514
Expenditure incurred	(939 725)	(1 197 857)
Balance at end of year	11 391 740	10 368 939

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
17. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade Payables	45 186 734	43 396 116
Correction of error note 38.1(b)	-	250 000
Correction of error note 38.1(c)	-	908 710
Correction of error note 38.1(e)	-	(1 035 717)
Correction of error note 38.1(n)	-	220 369
Correction of error note 38.1(o)	-	146 711
Correction of error note 38.1(u)	-	133 049
Correction of error note 38.1(oo)	-	170 626
Payments received in advance	5 707 483	4 265 019
Unallocated funds debtors	145 267	283 503
Control, Clearing and Interface Accounts	1 155 032	684 564
Sundry Deposits	8 730	8 730
Pre-paid electricity	435 130	421 515
Retentions	3 065 386	1 571 315
Correction of error note 38.1(l)	-	161 576
Correction of error note 38.1(s)	-	85 255
Total Trade Payables	55 703 764	51 671 342

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

Sundry deposits include Hall, Builders and Housing Deposits.

18. UNSPENT TRANSFERS AND SUBSIDIES

Unspent Transfers and Subsidies	38 693 720	9 533 642
National Government Grants	26 156 409	1 793 399
Provincial Government Grants	12 537 310	7 901 819
Correction of Error Note 38.1	-	(161 576)
Less: Unpaid Transfers and Subsidies	(0)	-
Total Unspent Transfers and Subsidies	38 693 720	9 533 642

See appendix "E" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

19. TAXES

19.1	VAT Payable	(131 189)	-
	VAT Output in Suspense	(10 815 593)	(11 452 611)
	Total VAT Payable	(10 946 782)	(11 452 611)
19.2	VAT Receivable	-	676 905
	Correction of error, refer to note 38.1(j)	-	396 787
	Correction of error, refer to note 38.1(k)	-	245 084
	Correction of error note 38.1(u)	-	17 354
	VAT Input in Suspense	5 333 764	2 647 874
	Correction of error note 38.1(s)	-	11 120
	Correction of error note 38.1(l)	-	21 075
	Total VAT Receivable	5 333 764	4 016 199
19.3	Net VAT (Payable)/Receivable	(5 613 018)	(7 436 412)

VAT is payable on the cash basis. VAT is paid over to SARS only once payment is received from debtors.

	2019 R	2018 R
20. PROPERTY RATES		
<u>Actual</u>		
Rateable Land and Buildings	93 124 217	85 808 966
Business and Commercial Property	20 554 886	19 128 163
Farm Holdings	3 746 301	3 307 665
Public Benefit Organisations	214 248	158 192
Public Service Infrastructure Properties	15 936	10 636
Residential Properties	58 031 341	53 386 033
State-owned Properties	10 561 506	9 818 277
Less: Revenue Forgone	(4 951 456)	(3 818 914)
Total Property Rates	88 172 762	81 990 053

Valuations - 1 July 2018

Rateable Land and Buildings	10 337 592 500	10 259 150 500
Business and Commercial Property	1 423 925 000	1 382 608 000
Churches	230 930 000	219 780 000
Municipal Properties	403 934 000	414 487 000
Pensioners	113 522 500	62 128 500
Public Benefit Organisations	79 010 000	77 830 000
Public Service Infrastructure Properties	9 986 500	10 164 500
Residential Properties	5 355 142 500	5 398 324 500
State-owned Properties	726 196 000	728 234 000
Agricultural Property	1 994 946 000	1 965 594 000
Less: Rebates	(218 754 000)	(217 140 000)
Total Assessment Rates	10 118 838 500	10 042 010 500

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2017. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

Basic Rate

Residential	1.075c/R	1.003c/R
Government	1.445c/R	1.348c/R
Commercial	1.701c/R	1.587c/R
Agricultural	0.188c/R	0.175c/R

Rates are levied annually and monthly. Monthly rates are payable by the 10th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate on outstanding monthly rates.

Rebates were granted on land with buildings used solely for dwellings purposes as follows:

Residential - The first R15 000 on the valuation is exempted.

Foregone can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

	2019 R	2018 R
21. GOVERNMENT GRANTS AND SUBSIDIES		
<u>Unconditional</u>	67 861 000	62 683 000
Equitable Share	67 861 000	62 683 000
<u>Conditional</u>	103 762 914	104 204 502
Local Government Financial Management Grant (FMG)	1 620 000	1 550 000
Integrated National Electrification Programm	5 556 040	6 000 076
Municipal Infrastructure Grant	21 382 000	19 376 816
Extended Public Works Program	2 821 998	2 911 000
CDW operational support grant	-	13 720
Library Services	5 716 320	5 338 000
Integrating Housing Settlement Grant	45 527 897	49 789 985
Emergency Housing Program	1 406 000	1 406 000
Finance Management Support Grant	1 760 000	3 702 316
Maintenance Main Road Subsidy	106 510	106 168
Municipal Service Delivery and Capacity Building grant	400 000	1 870 568
Local Government Graduate Internship Grant	69 039	-
Municipal Draught Support Grant	-	959 416
Fire Services Capacity Building Grant	-	1 200 000
Water Services Infrastructure Grant	15 339 961	9 820 587
Thusong Centre Operational Grant	-	100 000
Municipal Electrical Master Plan Grant	617 000	-
Cango Caves Infrastructure Grant	1 440 150	59 850
Total Government Grants and Subsidies	171 623 914	166 887 502
Government Grants and Subsidies - Operating	130 694 174	113 150 212
Government Grants and Subsidies - Capital	40 929 740	53 737 290
Total Government Grants and Subsidies	171 623 914	166 887 502

Revenue recognised per vote as required by Section 123 (c) of the MFMA:

Equitable share	67 861 000	62 683 000
Executive & Council	(33 251 890)	4 029 984
Municipal Manager	1 440 150	59 850
Corporate Services	349 039	236 036
Financial Services	3 100 000	4 311 150
Community and Public Safety	13 859 640	6 156 849
Technical Services	71 332 078	38 214 647
Human Settlement	46 933 897	51 195 985
Strategic Services	-	-
Total Government Grants and Subsidies	171 623 914	166 887 502

Based on the allocations set out in the Division of Revenue Act (DoRA), no significant changes in the level of government funding are expected over the forthcoming 3 financial years.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

		2019 R	2018 R
21.1	<u>Equitable Share</u>		
	Opening balance	-	-
	Grants received	67 861 000	62 683 000
	Conditions met - Operating	(67 861 000)	(62 683 000)
	Conditions still to be met	-	-
		<u>-</u>	<u>-</u>
	The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.		
21.2	<u>Local Government Financial Management Grant (FMG)</u>		
	Opening balance	-	-
	Grants received	1 620 000	1 550 000
	Conditions met - Operating	(1 620 000)	(1 550 000)
	Conditions still to be met	-	-
		<u>-</u>	<u>-</u>
	The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).		
21.3	<u>Water services Infrastructure Grant</u>		
	Opening balance	17 836	-
	Correction of Error note 38.1(a)	-	(161 576)
	Grants received	40 000 000	10 000 000
	Repaid to National Revenue Fund	(179 413)	-
	Conditions met - Capital	(15 339 961)	(9 820 587)
	Conditions still to be met	<u>24 498 463</u>	<u>17 836</u>
	The Water Services Infrastructure Grant is mainly for the refurbishment and replacement of water infrastructure within the Dysselsdorp and De Rust area and for the new Blossoms Pipe line.		
21.4	<u>Municipal Infrastructure Grant (MIG)</u>		
	Opening balance	-	(2 685 184)
	Grants received	21 382 000	22 062 000
	Conditions met - Operating	(1 170 610)	(892 551)
	Conditions met - Capital	(20 211 389)	(18 484 265)
	Conditions still to be met	<u>0</u>	<u>-</u>
	The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.		
21.5	<u>Integrated National Electrification Grant</u>		
	Opening balance	0	3 000 076
	Grants received	5 600 000	3 000 000
	Conditions met - Operating	(1 883 419)	(1 545 563)
	Conditions met - Capital	(3 672 621)	(4 454 513)
	Conditions still to be met	<u>43 960</u>	<u>0</u>
	The National Electrification Grant was used for electrical connections in previously disadvantaged areas.		
21.6	<u>Extended Public Works Program</u>		
	Opening balance	-	-
	Grants received	2 822 000	2 911 000
	Conditions met - Operating	(2 822 000)	(2 911 000)
	Conditions still to be met	-	-
		<u>-</u>	<u>-</u>
	Job creation projects in previous disadvantage areas.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
21.7		
<u>Finance Management Support Grant</u>		
Opening balance	0	427 337
Grants received	1 480 000	3 080 000
Repaid to National Revenue Fund	-	(27 337)
Conditions met - Operating	(1 480 000)	(718 849)
Conditions met - Capital	-	(2 761 150)
Conditions still to be met	<u>0</u>	<u>0</u>
The Financial Management Support Grant was received from Provincial Treasury to assist the finance department with the revenue enhancement strategy, asset management functions and mSCOA Implementation		
21.8		
<u>Integrating Human Settlement Grant</u>		
Opening balance	4 870 256	647 253
Grants received	50 538 845	54 012 988
Conditions met - Operating	(45 526 941)	(33 679 112)
Conditions met - Capital	-	(16 110 873)
Conditions still to be met	<u>9 882 160</u>	<u>4 870 256</u>
The Integrated Human Settlement Grant was received from the Provincial Government and is utilised for the building of low cost housing		
21.9		
<u>Library Services</u>		
Opening balance	0	-
Grants received	7 658 000	5 338 000
Conditions met - Operating	(5 450 701)	(5 279 631)
Conditions met - Capital	(265 619)	(58 369)
Conditions still to be met	<u>1 941 680</u>	<u>0</u>
Library conditional grant utilised for operating expenditure of the Library, and the Rosevalley Library Subsidy for the building of a new library within the low cost housing project Rosevalley		
21.10		
<u>Municipal Service Delivery and Capacity Building grant</u>		
Opening balance	-	1 870 568
Grants received	900 000	
Conditions met - Operating	(400 000)	
Conditions met - Capital	-	(1 870 568)
Conditions still to be met	<u>500 000</u>	<u>-</u>
The grant was received for pothole repairs and the organizational redesign that must be performed.		
21.11		
<u>Supply for Drought Relief Interventions</u>		
Opening balance	-	379 472
Repaid to National Revenue Fund	-	(379 472)
Conditions still to be met	<u>-</u>	<u>-</u>
The grant was received to protect the revenue base of the municipality by ensuring water demands are met.		

	2019 R	2018 R
21.12		
<u>Regional Bulk Infrastructure Grant - Department of Water Affairs and Forestry Grant</u>		
Opening balance	1 613 986	1 613 986
Conditions still to be met	1 613 986	1 613 986
The grant was given to assist with the water shortage in the area.		
21.13		
<u>Other Grants</u>		
Opening balance	3 031 562	2 248 818
Grants received	1 155 510	4 880 168
Repaid to National Revenue Fund	(54 904)	(29 953)
Conditions met - Operating	(2 478 549)	(3 890 505)
Conditions met - Capital	(1 440 150)	(176 965)
Conditions still to be met	213 470	3 031 562
21.14		
<u>Total Grants</u>		
Opening balance	9 533 641	7 502 326
Correction of Error	-	(161 576)
Grants received	201 017 355	169 517 156
Repaid to National Revenue Fund	(234 317)	(436 762)
Conditions met - Operating	(130 693 220)	(113 150 211)
Conditions met - Capital	(40 929 740)	(53 737 290)
Conditions still to be met/(Grant expenditure to be recovered)	38 693 719	9 533 641
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	38 693 720	9 533 642
Unpaid Conditional Government Grants and Receipts	(0)	-
Total	38 693 720	9 533 642
22.		
SERVICE CHARGES		
Electricity	222 752 227	214 893 433
Service Charges	229 837 991	220 152 316
Less: Revenue Foregone	(7 085 764)	(5 258 882)
Water	57 094 044	59 189 531
Service Charges	68 870 315	69 118 399
Less: Revenue Foregone	(11 776 271)	(9 928 868)
Water Klein Karoo Rural Scheme	4 648 784	4 540 578
Service Charges	4 648 784	4 540 578
Less: Revenue Foregone	-	-
Waste Management	17 504 411	16 709 630
Service Charges	26 289 281	23 373 482
Less: Revenue Foregone	(8 784 870)	(6 663 852)
Waste Water Management	32 867 695	31 125 665
Service Charges	41 310 757	37 615 295
Less: Revenue Foregone	(8 443 062)	(6 489 630)
Total Service Charges	334 867 160	326 458 837

Revenue Foregone can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

	2019 R	2018 R
23. SALES OF GOODS AND RENDERING OF SERVICES		
Academic Services	1 105	1 823
Advertisements	382 261	217 774
Application Fees for Land Usage	94 338	51 540
Building Plan Approval	512 400	557 862
Camping Fees	211 368	216 857
Cemetery and Burial	858 051	804 207
Computer Services	92 500	52 593
Encroachment Fees	115 369	89 035
Legal Fees Recovered	1 717 818	1 709 146
Library Fees	1 447	837
Parking Fees	277 274	68 090
Photocopies and Faxes	15 073	7 604
Sale of Goods	12 008	11 852
Valuation Services	215 467	140 381
Total Sales of Goods and Rendering of Services	4 506 480	3 929 600
24. RENTAL FROM FIXED ASSETS		
Property, Plant and Equipment	3 418 494	3 453 170
Total Rental from Fixed Assets	3 418 494	3 453 170
25. INTEREST EARNED - EXTERNAL INVESTMENTS		
Bank	1 426 580	1 325 054
Investments	7 536 129	4 260 683
Total Interest Earned - External Investments	8 962 709	5 585 737
26. INTEREST EARNED - EXCHANGE TRANSACTIONS		
Trade Receivables	6 805 155	6 949 384
Total Interest Earned - Outstanding Receivables	6 805 155	6 949 384
27. OPERATIONAL REVENUE		
Collection Charges	382 188	153 027
Incidental Cash Surpluses	147 647	189 928
Merchandising, Jobbing and Contracts	73 377	64 070
Registration Fees	292 136	303 219
Request for Information	4 589	4 126
Staff Recoveries	90 945	147 951
Total Operational Revenue	990 882	862 321
28. EMPLOYEE RELATED COST		
Acting Allowance	1 116 108	1 152 490
Contributions to Group Insurance	2 667 030	2 331 272
Contributions to Workman's Compensation	1 240 699	1 233 774
Housing Benefits and Allowance	1 933 848	1 371 028
Leave payments	1 962 527	2 197 514
Standby Allowance	1 939 545	1 815 397
Shift Allowance	469 590	228 509
Basic Salaries and Wages	140 105 145	131 169 659
Pension and UIF Contributions	24 068 338	20 799 079
Medical Aid Contributions	9 954 773	9 384 177
Overtime	12 930 453	12 374 841
Bonuses	12 066 031	10 002 382
Motor Vehicle Allowance	4 489 253	4 292 903
Cellphone Allowance	988 254	752 161
Other benefits and allowances	146 460	157 339
Contribution to Long Service awards	1 371 536	1 267 339
Contribution to Post Employment Medical	16 038 561	15 103 178
Total Employee Related Costs	233 488 152	215 633 043

KEY MANAGEMENT PERSONNEL

Key management personnel are all permanently employed except for the Municipal Manager and Acting Director: Human Settlements. The Municipal Manager is appointed on a 5 year contract, and the Acting Director Human Settlements is seconded from Provincial Government to Oudtshoorn Municipality through a memorandum of agreement. All permanent staff is entitled to post retirement benefits upon retirement.

	2019 R	2018 R
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
<i>Remuneration of the Municipal Manager - Mr Paulse</i>		
Basic Salary	897 979	957 802
Pension and UIF Contributions	151 006	156 189
Medical Aid Contributions	51 859	58 065
Performance Bonus	207 726	42 788
Motor Vehicle Allowance	241 693	241 693
Cell Phone Allowance	48 248	45 091
Other benefits and allowances	166 330	171 345
Payments in lieu of leave	19 944	54 007
Total	1 784 783	1 726 981
<i>Remuneration of the Chief Financial Officer - Mr Lötter</i>		
Basic Salary	869 950	857 345
Pension and UIF Contributions	1 785	1 785
Medical Aid Contributions	35 076	34 338
Performance Bonus	169 799	87 939
Motor Vehicle Allowance	197 564	197 564
Cell Phone Allowance	48 248	45 091
Other benefits and allowances	142 568	147 989
Payments in lieu of leave		33 712
Total	1 464 989	1 405 763
<i>Remuneration of Director : Corporate Services - Mr Smit</i>		
Basic Salary	935 195	923 863
Pension and UIF Contributions	169 180	168 080
Acting Allowance	10 652	70 077
Performance Bonus	169 799	
Cell Phone Allowance	48 248	45 091
Other benefits and allowances	143 852	149 193
Payments in lieu of leave	22 333	33 712
Total	1 499 258	1 390 015
<i>Remuneration of Director : Technical Services - Mr Koch</i>		
Basic Salary	1 102 590	1 090 158
Pension and UIF Contributions	1 785	1 785
Performance Bonus	169 799	14 990
Cell Phone Allowance	48 248	45 091
Housing Allowances	-	7 500
Other benefits and allowances	147 529	147 835
Total	1 469 950	1 307 358
<i>Remuneration of Director : Community Services - Mr T Matthee</i>		
Basic Salary	798 864	763 965
Pension and UIF Contributions	133 682	139 298
Medical Aid Contributions	51 859	48 509
Performance Bonus	169 799	24 983
Motor Vehicle Allowance	120 000	120 000
Cell Phone Allowance	48 248	45 091
Other benefits and allowances	139 654	143 015
Payments in lieu of leave	29 342	44 146
Total	1 491 447	1 329 007
<i>Remuneration of Acting Director: Human Settlement - Ms S Simms</i>		
Basic Salary	1 095 000	1 094 670
Pension and UIF Contributions	1 785	1 636
Cell Phone Allowance	9 000	9 000
Housing Allowances	96 000	96 000
Total	1 201 785	1 201 306

Ms S Simms is seconded from Provincial Government to be acting Director: Human Settlement. Provincial Government compensates the municipality for her remuneration through a memorandum of agreement annually.

	2019 R	2018 R
29. REMUNERATION OF COUNCILLORS		
Salaries	6 866 890	6 333 201
Pension	714 932	635 476
Travelling Allowance	2 206 658	2 078 839
Telephone Allowance	910 200	851 339
Medical Scheme	187 922	123 429
Total Councillors' Remuneration	10 886 603	10 022 284

Remuneration paid to Councillors can be summarised as follow:

	Salary	Travel Allowance	Other Allowances	Contributions	Total
Executive Mayor	499 753	206 937	33 300	121 058	861 048
Executive Deputy-Mayor	456 299	165 550	44 400	37 249	703 498
Speaker	368 529	165 550	44 400	129 082	707 561
Executive Committee Members	2 703 362	620 813	229 400	310 987	3 864 562
Councillors	2 838 947	1 047 808	558 700	304 477	4 749 932
Total Councillors' Remuneration	6 866 890	2 206 658	910 200	902 853	10 886 601

In-kind Benefits

The Executive Mayor, Executive Deputy Mayor, Speaker, Chief Whip and Executive Committee Members are full-time Councillors. Each is provided with an office and shared secretarial support at the cost of the Municipality.

Certification by the Municipal Manager

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

	2019 R	2018 R
30. CONTRACTED SERVICES		
Outsourced Services	13 645 101	5 732 761
Consultants and Professional Services	5 559 916	7 328 917
Contractors	4 005 537	8 334 416
Correction of error note 38.1(c)	-	62 490
Total Contracted Services	23 210 554	21 458 584

31. DEPRECIATION AND AMORTISATION		
Property, Plant and Equipment	40 302 196	34 005 961
Intangible Assets	280 775	161 501
Capitalized Restoration Cost	-	-
Investment Property carried at cost	118 700	118 699
Total Depreciation and Amortisation	40 701 670	34 286 161

	2019 R	2018 R
32. INTEREST, DIVIDENDS AND RENT ON LAND		
Long-term Borrowings	5 393 881	6 459 513
Non-current Provisions	756 090	4 218 202
Correction of error note 38.1(r)	-	(823 556)
Payables	1 111 869	530 848
Finance leases	758 865	1 190 204
Total Finance Costs	8 020 704	11 575 211
33. BULK PURCHASES		
Electricity	153 126 313	147 403 643
Water	59 542	233 597
Total Bulk Purchases	153 185 855	147 637 240
34. TRANSFERS AND SUBSIDIES		
Operational	3 788 163	2 947 142
Monetary Allocations	3 788 163	2 947 142
Bursaries Non Employee	211 468	313 500
Households	617 084	7 000
Non-profit Institutions	1 554 328	969 678
Provincial Government	1 405 284	1 406 964
Correction of error note 38.1(b)	-	250 000
Total Transfers and Subsidies	3 788 163	2 947 142
35. OPERATIONAL COST		
Advertising, Publicity and Marketing	2 516 279	1 700 130
Assets less than the Capitalisation Threshold	57 224	-
Bank Charges, Facility and Card Fees	2 601 528	2 271 303
Bursaries (Employees)	345 162	335 557
Cleaning Services	80 396	83 159
Commission	2 533 566	2 589 878
Courier and Delivery Services	30 252	30 490
Communication	2 775 439	3 656 218
Deeds	-	320 710
Entrance Fees	66 150	51 024
Entertainment	81 975	85 485
External Audit Fees	6 062 288	5 871 648
External Computer Service	3 690 495	3 356 261
Full Time Union Representative	186 756	244 306
Hire Charges	2 814 408	3 043 621
Housing Top Structures	44 326 941	32 230 223
Indigent Relief	393 400	671 983
Insurance Underwriting	1 701 234	1 825 351
Land Alienation Costs	-	4 760
Learnerships and Internships	500 410	824 008
Levies Paid - Water Resource Management Charges	538 090	154 697
Licences	461 200	525 898
Membership fees SALGA	2 493 763	2 151 861
Printing, Publications and Books	813 409	1 500 954
Professional Bodies, Membership and Subscription	23 610	16 440
Registration Fees	860 357	1 711 970
Remuneration to Section 79 Committee Members	78 764	-
Remuneration to Ward Committees	236 600	196 735
Resettlement Cost	562 661	117 705
Samples and Specimens	209 698	58 141
Servitudes and Land Surveys	5 200	-
Skills Development Fund Levy	2 024 010	1 730 512
Travel and Subsistence	3 190 477	3 136 122
Uniform and Protective Clothing	903 533	738 361
Vehicle Tracking	371 716	486 351
Wet Fuel	6 439 733	4 552 062
Correction of Error note 38.1(c)	-	833 742
Correction of Error note 38.1(k)	-	(245 084)
Correction of Error note 38.1(p)	-	341 132
Correction of Error note 38.1(y)	-	30 466
Correction of Error note 38.1(oo)	-	170 626
Total Operational Costs	89 975 607	77 404 804

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
36. REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON RECEIVABLES		
Receivables from Exchange Transactions and Non-Exchange	4 393 105	8 180 474
Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables	4 393 105	8 180 474
37. GAINS/ (LOSS) ON SALE OF FIXED ASSETS		
Property, Plant and Equipment	(862 826)	(161 688)
Correction of error note 38.1(bb)+(cc)		89 343
Correction of error note 38.1(ff)+(ee)		(1 975 873)
Total Gains/ (Loss) on Sale of Fixed Assets	(862 826)	(2 048 218)
	2018 R	2017 R
38. CORRECTION OF ERROR IN TERMS OF GRAP 3		
The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:		
38.1 (a)	Correction of Unspent Conditional Grants 2017/18. Retention on Infrastructure Project not provided for. This is corrected with the following entries, Dt Unspent Conditional Grants 2017/18 R161 576.44, (Ct) Accumulated Surplus 2017/18 R161 576.44	
(b)	Correction of Trade Payables from Exchange Transactions 2017/18. Contribution towards KKNK 2017/18 only processed in 2018/19. This is now corrected with the following entries, Dt Accumulated Surplus 2017/19 R250 000, (Ct) Trade Payables from Exchange Transactions 2017/18 R250 000	
(c)	Correction of Trade Payable from Exchange Transactions 2017/18. Expenditure relating to 2017/18 only paid in 2018/19. This is now corrected with the following entries, Dt Accumulated Surplus 2017/18 R908 710.18, Dt Taxes Input Claimable (Ct) Trade Payables from Exchange Transactions 2017/18 R908 710.18	
(d)	Correction of Receivables from Exchange Transactions Opening balance. Income relating to rental of Thusong Centrum, only levied in 2018/19 but with regards to prior periods. This is now corrected with following entries, Dt Receivables from Exchange Transactions Opening Balance R43 838.76, (Ct) Accumulated Surplus Prior Year R43 838.76	
(e)	Correction of Trade Payables from Exchange Transactions Opening balance. Creditor disputes with regards to prior year creditors only corrected in 2018/19, creditors were thus overstated in prior periods. This is now corrected with the following entries, Dt Trade Payables from Exchange Transactions Opening balance R1 035 716. 52, (Ct) Accumulated Surplus Opening balance R1 035 716. 52	
(f)	Correction of Property Plant and Equipment Electricity Infrastructure at Cost, Repairs & Maintenance incorrectly capitalised to WIP during 2017/18. This is now corrected with the following entries, (Dt) Accumulated Surplus 2017/18 R28 875.30, (Ct) Property Plant and Equipment Infrastructure WIP 2017/18 R28 875.30	
(g)	Correction of Property Plant and Equipment Solid Waste Infrastructure at Cost, WIP incorrectly duplicated during 2015/16. This is now corrected with the following entries, (Dt) Accumulated Surplus Prior Year R346 078, (Ct) Property Plant and Equipment - Solid Waste WIP R346 078	

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

- (h) Correction of Property Plant and Equipment Water Infrastructure WIP Opening balance. Operating items incorrectly capitalised. This is now corrected with the following entries, Dt Accumulated Surplus Prior Year R17 784, (Ct) Property Plant and Equipment Water Infrastructure Opening balance R17 784
- (i) Correction of Property Plant and Equipment- Water Infrastructure at Cost. Journal incorrectly processed during prior year, understating the Infrastructure WIP. This is now corrected with the following entries, (Dt) Property Plant and Equipment- Water Infrastructure WIP Opening balance R 513 187.87, (Ct) Accumulated Surplus Opening balance R513 187.87
- (j) Correction of Taxes Opening balance. Input VAT not claimed in prior periods, after investigation and VAT review performed it was identified. This is now corrected with the following entries, Dt Taxes Opening balance Input VAT R396 787.32 and (Ct) Accumulated Surplus Opening balance R396 787.32
- (k) Correction of Taxes 2017/18 balance. Input VAT not claimed in prior periods, after investigation and VAT review performed it was identified. This is now corrected with the following entries, Dt Taxes 2017/18 balance Input VAT R245 083.56 and (Ct) Accumulated Surplus Opening balance R245 083.56
- (l) Correction of Property Plant and Equipment Water Infrastructure at Cost 2017/18 WIP. Invoice relating to a 2017/18 retention was not provided for, and was paid during 2018/19. This is now corrected with the following entries, Dt Property Plant and Equipment Water Infrastructure 2017/18 R140 501.25, Dt Taxes 2017/18 R21075.19 (Ct) Trade Payables from Exchange Transactions R161 576.44
- (m) Correction of Property Plant and Equipment Infrastructure WIP 2017/18. Repairs Maintenance incorrectly capitalised. This is now corrected with the following entries, Dt Accumulated Surplus 2017/18 R35 806, (Ct) Property Plant and Equipment Infrastructure at Cost R35 806
- (n) Correction of Property Plant and Equipment Water Infrastructure 2017/18 and Trade Payables 2017/18. Invoice with regards to 2017/18 only paid during 2018/19 which resulted in Trade Payables and Property Plant and equipment being understated. This is now corrected with following entries, Dt Property Plant and Equipment R220 368.76 and (Ct) Trade Payables from Exchange Transactions 2017/18 R220 368.76
- (o) Correction of Property Plant and Equipment Land and Buildings Opening balance and Trade Payables from Exchange Opening balance. Invoice with regards to prior periods only paid during 2018/19 which resulted in Trade Payables and Property Plant and equipment being understated. This is now corrected with following entries, Dt Property Plant and Equipment Opening balance R146 710 and (Ct) Trade Payables from Exchange Transactions 2017/18 R146 710.53
- (p) Correction of Property Plant and Equipment WIP 2017/18. Operational Items incorrectly capitalised against Electricity Infrastructure, that relates to Housing Top Structures. This is now corrected with the following entries, Dt Accumulated Surplus 2017/18 R341 131 and (Ct) Trade Payables from Exchange Transactions 2017/18 R341 132
- (q) Correction of Non-Current Provisions Opening balance. The previous calculation did not take into account GRAP 19 requirements and the time value of money, discount rate was adjusted and recalculation was performed retrospectively. This is now corrected with the following entries, Dt Non Current Provision Landfill Site R31 424 032.42, (Ct) Accumulated Surplus Opening balance R31 424 032.42
- (r) Correction of Non-Current Provisions 2017/18 balance. The previous calculation did not take into account GRAP 19 requirements and the time value of money, discount rate adjusted and recalculation performed retrospectively. This is now corrected with the following entries, Dt Non- Current Provision Landfill Site R823 556.34, (Ct) Accumulated Surplus 2017/18 (Finance Charges) R823 556.34
- (s) Correction of Property Plant and Equipment Electricity Infrastructure at Cost 2017/18 WIP. Invoice relating to a 2017/18 retention - Dysselsdorp Bulk Infrastructure was not provided for, and was paid during 2018/19. This is now corrected with the following entries, Dt Property Plant and Equipment Water Infrastructure 2017/18 R74 134.58, Dt Taxes 2017/18 R11 120.19 (Ct) Trade Payables from Exchange 2017/18 R85 254.77

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

- (u) Correction of Property Plant and Equipment Electricity Infrastructure at Cost 2017/18 WIP. Invoice relating to a 2017/18 High Mast Lightning was not provided for, and was paid during 2018/19. This is now corrected with the following entries, Dt Property Plant and Equipment Water Infrastructure 2017/18 R115 695.05, Dt Taxes 2017/18 R17 354.26 (Ct) Trade Payables 2017/18 R133 049.31
- (v) Correction of Property Plant and Equipment- Other Assets Opening balance. First time recognition of movable assets purchased prior years. This is now corrected with the following entries Dt Property Plant and Equipment Other Assets Opening balance R1 624 224.23, (Ct) Accumulated Surplus R1 624 224.23
- (w) Correction of Accumulated Deprecation Other Assts. First time recognition of movable assets purchased prior years. This is now corrected with the following entries, Dt Accumulated Surplus Opening balance R990 630.19, Dt Accumulated surplus 2017/18 (Depreciation) R88 303.78 and (Ct) Accumulated Depreciation R1 078 993.97
- (x) Correction of Financial Lease assets not derecognized prior periods. This is now corrected with the following entries, (Dt) Accumulated Depreciation Leases Opening balance R644 230.12, (Ct) Leases Asset at Cost Opening balance R923 268.49
- (y) Correction of Intangible Assets at Cost. Assets were recognized in error, it relates to operating expenditure This is now corrected with the following entries. Dt Accumulated Surplus Opening balance R232 778.82, Dt Accumulated Surplus 2017/18 R30 466.20.(Ct) Intangible Assets Opening balance at Cost R232 778.82 and (Ct) Accumulated Surplus 2017/18 R30 466.20
- (z) Correction of Intangible Assets Accumulated Amortisation. Assets were recognized in error it relates to operating expenditure. This is now corrected with the following entries, Dt Accumulated Amortisation Opening balance R171 345.41, Dt Accumulated Amortisation 2017/18 R26 655.98 and (Ct) Accumulated Surplus Opening balance R171 345.41 and (Ct) Accumulated Surplus 2017/18 R26 655.98.
- (aa) Correction of Lease Assets at Cost. Disposal regarding CG30187 reversed, vehicle should not have been derecognized during 2017/18. This is now corrected with the following entries. Dt Lease Assets at Cost R384 155.54, (Ct) Accumulated Surplus Opening balance R384 155.54. Dt Accumulated Surplus Opening balance R20 886 and (Ct) Accumulated Depreciation Opening balance R20 886. Dt Accumulated Surplus 2017/18(Depreciation) R136 051 and (Ct) Accumulated Depreciation 2017/18 R136 051
- (bb) Correction of Property Plant & Equipment Other Assets. Reversal of Disposals 2017/18. Assets were written-off in error, and was subsequently found during the annual asset verification 2019. This is now corrected with the following entries, DT Other Assets at Cost R688 068.89, (Ct) Accumulated Depreciation Opening balance R239 003.41, (Ct) Accumulated Depreciation 2017/18 R38 258.10, (Ct) Accumulated Surplus 2017/18 R410 807.38
- (cc) Correction of Property Plant & Equipment Other Assets. Disposals not recognized during 2017/18, assets does not exist. This is now corrected with the following entries, Dt Accumulated Depreciation Opening balance R279 873.66, Dt Accumulated Depreciation 2017/18 R45 853. 66, Dt Accumulated Surplus 2017/18 R272 998.52 (Ct) Other Assets at Cost R598 728.89
- (dd) Correction of Property Plant and Equipment Leased Assets. Retrospective derecognition of lease vehicles, that were not disposed from the fixed asset register when the vehicle was returned to the provider after the term ended. This is now corrected with the following entire, Dt. Accumulated Surplus Opening balance R4 524 300, (Ct) Property Plant & Equipment Leases at Cost R4 524 300. Dt Accumulated Depreciation Leases R4 524 300 and Ct Accumulated Surplus Opening balance R3 118 614, Ct Accumulated Surplus 2017/18 R1 405 686
- (ee) Correction of Accumulated Depreciation Leases, due to an error in calculation prior periods. This is now corrected with the new fixed asset register, and following entries. Dt Accumulated Depreciation Leases R182 292 and (Ct) Accumulated Surplus 2017/18 R182 292

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

- (ff) Correction of Accumulated Depreciation Other Assets, due to error in calculation prior periods. This is now corrected with the new fixed asset register, and the following entries. Dt Accumulated Depreciation Opening balance R10 852 407.16, (Ct) Accumulated Surplus Opening balance R10 852 407.16. Dt Accumulated Depreciation 2017/18 R1 370 348.99, (Ct) Accumulated Surplus 2017/18 balance R1 370 348.99. Dt Accumulated Surplus 2017/18 R1 156 589 and (Ct) Accumulated Depreciation 2017/18 R1 156 589
- (gg) Correction of Accumulated Depreciation Infrastructure due to error on projects completed previously shown as WIP during 2017/18. This is now corrected the following entries. Dt Accumulated Surplus 2017/18 R125 577 and (Ct) Accumulated Surplus 2017/18 R125 577, Dt Accumulated Surplus Opening balance R38 658 and (Ct) Accumulated Depreciation Opening balance R38 658
- (hh) Correction of Property Plant and Equipment Opening balance - Land Buildings. Remedial Lightning project of Cango Caves omitted previous year when the new FAR was compiled. This is now corrected with the following entries, Dt Property Plant and Equipment Land Buildings Opening Balance R2 759 311.46, (Ct) Accumulated Surplus Opening Balance R2 759 311.46
- (ii) Correction Receivables from Non-Exchange Transactions Fines Opening balance and 2017/18 balance. There was an error in the reports generated from the service provider, which was subsequently corrected during 2018/19. This is now corrected with the following entries, Dt Receivables from Non Exchange Transactions balance R258 354 and (Ct) Accumulated Surplus R258 354
- (jj) Correction of Property Plant & Equipment Buildings at Cost. During the compilation of the new FAR corrections were identified that were adjusted retrospectively in terms of GRAP 3. This is now corrected with the following entries, Dt Accumulated Surplus Opening balance R17 146 620, (Ct) Buildings Opening Balance R17 146 620. Dt Accumulated Depreciation Opening balance R16 716 202, (Ct)Accumulated Surplus Opening balance R16 716 202. Dt Accumulated Depreciation 2017/18 R1 593 117 and (Ct) Accumulated Surplus 2017/18 R1 593 117
- (kk) Correction of Property Plant & Equipment Land at Cost. During the compilation of the new FAR corrections were identified that were adjusted retrospectively in terms of GRAP 3. This is now corrected with the following entries, Dt Accumulated Surplus Opening balance R18 289 750, Ct Accumulated Impairment and Depreciation Opening balance R18 289 750. Dt Property Plant & Equipment Land&Buildings Opening balance R2 435 304 and (Ct) Accumulated Surplus Opening balance R2 435 304
- (ll) Correction Property Plant Equipment Community Assets Opening balance. During the compilation of the new FAR corrections were identified that were adjusted retrospectively in terms of GRAP 3. This is now corrected with the following entries, Dt Property Plant & Equipment Community Assets Opening balance R31 856 347, (Ct) Accumulated Surplus Opening balance R31 856 347. Dt Accumulated Surplus Opening balance R3 432 669, (Ct) Accumulated Depreciation Community Assets Opening balance R3 432 669. Dt Accumulated Depreciation Community Assets 2017/18 R2 030 612 and (Ct) Accumulated Surplus 2017/18 R2 030 612
- (mm) Correction of Investment Property Opening balance. During the compilation of the FAR corrections were identified that were adjusted retrospectively in terms of GRAP 3. This is now corrected with the following entries, Dt Accumulated Surplus Opening balance R65 233 654, (Ct) Investment Property Opening balance R65 233 654. Dt Accumulated Depreciation Opening balance R15 377 929, (Ct) Accumulated Surplus Opening balance R15 377 929. Dt Accumulated Surplus Opening balance R3 037 079 and (Ct) Accumulated Impairment Investment Property R3 037 079. Dt Accumulated Depreciation Investment Property 2017/18 R1 532 756 and (Ct) Accumulated Surplus 2017/18 R1 532 756
- (oo) Correction of Trade Payables from Exchange Transactions 2017/18. The debit order with regards to Vodacom and MTN was incorrectly processed in July 2018, and relates to June 2018. This is now corrected with the following entries, Dt Accumulated Surplus 2017/18 and (Ct)Trade Payables from Exchange Transactions 2017/18 (Operational Cost)

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2018 R	2017 R
38.01 Accumulated Surplus/(Deficit)		
Balance previously reported	653 304 100	594 741 464
Correction of Unspent Conditional Grants 2017/18, refer to note 38.1 (a)	161 576	-
Correction of Trade Payables from Exchange Transactions 2017/18, refer to note 38.1 (b)	(250 000)	-
Correction of Trade Payables from Exchange Transactions 2017/18, refer to note 38.1 (c)	(908 710)	-
Correction of Receivables from Exchange Transactions Opening balance, refer to note 38.1(d)	43 839	43 839
Correction of Trade Payables from Exchange Transactions Opening balance, refer to note 38.1 (e)	1 035 717	1 035 717
Correction of Property Plant and Equipment Infrastructure at Cost - 2017/18, refer to note 38.1(f)	(28 875)	-
Correction of Property Plant and Equipment Infrastructure at Cost Opening balance , refer to note 38.1(g)	(346 078)	(346 078)
Correction of Property Plant and Equipment Infrastructure at Cost Opening balance , refer to note 38.1(h)	(17 784)	(17 784)
Correction of Property Plant and Equipment Infrastructure at Cost Opening balance , refer to note 38.1(i)	513 188	513 188
Correction of Taxes Opening balance, refer to note 38.1(j)	396 787	396 787
Correction of Taxes 2017/18, refer to note 38.1(k)	245 084	-
Correction of Property Plant and Equipment Infrastructure at cost 2017/18, refer to note 38.1(m)	(35 806)	-
Correction of Property Plant and Equipment Infrastructure at cost 2017/18, refer to note 38.1(p)	(341 132)	-
Correction of Non-Current Provisions Opening balance, refer to note 38.1(q)	31 424 032	31 424 032
Correction of Non-Current Provisions Opening balance, refer to note 38.1(r)	823 556	-
Correction of Property Plant and Equipment- Other Assets Opening balance, refer to note 38.1(v)	1 624 068	1 624 068
Correction of Accumulated Depreciation Movable Assets Opening balance, refer to note 38.1(w)	(990 530)	(990 530)
Correction of Accumulated Depreciation Movable Assets 2017/18 balance, refer to note 38.1(w)	(88 294)	-
Correction of Property Plant and Equipment Leases Opening balance, refer to note 38.1(x)	(279 038)	(279 038)
Correction of Intangible Assets Opening balance, refer to note 38.1(y)	(232 779)	(232 779)
Correction of Intangible Assets 2017/18 balance, refer to note 38.1(y)	(30 466)	-
Correction of Intangible Assets Amortisation Opening balance , refer to note 38.1(z)	171 345	171 345
Correction of Intangible Assets Amortisation 2017/18 balance , refer to note 38.1(z)	26 656	-
Correction of Property Plant and Equipment Leases Opening balance, refer to note 38.1(aa)	384 156	384 156
Correction of Accumulated Depreciation Leases Opening balance, refer to note 38.1(aa)	(20 886)	(20 886)
Correction of Accumulated Depreciation Leases 2017/18, refer to note 38.1(aa)	(136 051)	-
Correction of Property Plant and Equipment Other Assets at cost, refer to note 38.1(bb)	688 069	-
Correction of Accumulated Depreciation Movable 2017/18, refer to note 38.1(bb)	(277 261)	-
Correction of Property Plant and Equipment Other assets at cost, refer to note 38.1(cc)	(598 726)	-
Correction of Accumulated Depreciation Movable 2017/18, refer to note 38.1(cc)	325 727	-
Correction of Property Land and Equipment Leases Opening balance, refer to note 38.1(dd)	(4 524 300)	(4 524 300)
Correction of Accumulated Depreciation Leases Opening balance refer to note 38.1(dd)	3 118 614	3 118 614
Correction of Accumulated Depreciation Leases 2017/18 refer to note 38.1(dd)	1 405 686	-
Correction of Accumulated Depreciation Opening balance Leases refer to note 38.1(ee)	2 302 535	2 302 535
Correction of Accumulated Depreciation 2017/18 Leases refer to note 38.1(ee)	(1 252 493)	-
Correction of Accumulated Depreciation 2017/18 Leases refer to note 38.1(ee)	(867 750)	-
Correction of Accumulated Depreciation Movable Assets 2017/18 balance, refer to note 38.1(ff)	1 370 349	-
Correction of Accumulated Depreciation Movable Assets 2017/18 balance, refer to note 38.1(ff)	(1 156 589)	-
Correction of Accumulated Depreciation Opening balance, refer to note 38.1(ff)	10 852 407	10 852 407
Correction of Accumulated Depreciation Infrastructure 2017/18 balance, refer to note 38.1(gg)	(125 577)	-
Correction of Accumulated Depreciation Infrastructure Opening balance, refer to note 38.1(gg)	(38 658)	(38 658)
Correction of Property Plant and Equipment Land Buildings Opening balance, refer to note 38.1(hh)	2 759 311	2 759 311
Correction of Receivables from Non-Exchange Transactions 2017/18 balance, refer to note 38.1(ii)	163 901	163 901
Correction of Receivables from Non-Exchange Transactions 2017/18 balance, refer to note 38.1(ii)	94 453	-
Correction of Property Plant and Equipment - Land Buildings at Cost Opening balance, refer to note 38.1(jj)	(17 146 620)	(17 146 620)
Correction of Accumulated Depreciation and Impairment Land Buildings Opening balance, refer to note 38.1(jj)	16 716 202	16 716 202
Correction of Accumulated Depreciation and Impairment Land Buildings 2017/18 balance, refer to note 38.1(jj)	1 593 117	-
Correction of Property Plant & Equipment Land Buildings Opening balance, refer to note 38.1(kk)	2 435 304	2 435 304
Correction of Accumulated Depreciation and Impairment Land Buildings Opening balance, refer to note 38.1(kk)	(18 289 750)	(18 289 750)
Correction of Property Plant & Equipment Community Assets Opening balance, refer to note 38.1(ll)	31 856 347	31 856 347
Correction of Accumulated Depreciation Community Assets Opening balance, refer to note 38.1(ll)	(3 432 669)	(3 432 669)
Correction of Accumulated Depreciation Community Assets 2017/18, refer to note 38.1(ll)	2 030 612	-
Correction of Investment Property Opening balance, refer to note 38.1(mm)	(65 233 654)	(65 233 654)
Correction of Investment Property Accumulated Depreciation Opening balance, refer to note 38.1(mm)	15 377 929	15 377 929
Correction of Investment Property Accumulated Impairment Opening balance, refer to note 38.1(mm)	(3 073 079)	(3 073 079)
Correction of Investment Property Accumulated Depreciation 2017/18, refer to note 38.1(mm)	1 532 756	-
Correction of Trade Payables from Exchange Transactions 2017/18, refer to note 38.1(oo)	(170 626)	-
	664 883 241	602 291 321

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2018 R	2017 R
38.02 Property, Plant and Equipment		
Balance previously reported		
Cost	1 125 467 546	1 073 358 109
Correction of Property Plant and Equipment Infrastructure at Cost - 2017/18, refer to note 38.1(f)	(28 875)	-
Correction of Property Plant and Equipment Infrastructure at Cost Opening balance, refer to note 38.1(g)	(346 078)	(346 078)
Correction of Property Plant and Equipment Infrastructure at Cost Opening balance, refer to note 38.1(h)	(17 784)	(17 784)
Correction of Property Plant and Equipment Infrastructure at Cost Opening balance, refer to note 38.1(i)	513 188	513 188
Correction of Property Plant and Equipment Infrastructure at cost 2017/18, refer to note 38.1(m)	(35 806)	-
Correction of Property Plant and Equipment Infrastructure at cost 2017/18, refer to note 38.1(p)	(341 132)	-
Correction of Property Plant and Equipment Infrastructure at cost 2017/18, refer to note 38.1(l)	140 501	-
Correction of Property Plant and Equipment Infrastructure at cost 2017/18, refer to note 38.1(n)	220 369	-
Correction of Property Plant and Equipment Land Buildings Opening balance, refer to note 38.1(o)	146 711	146 711
Correction of Property Plant and Equipment- Other Assets Opening balance, refer to note 38.1(v)	1 624 068	1 624 068
Correction of Property Plant and Equipment Infrastructure at cost 2017/18, refer to note 38.1(s)	74 135	-
Correction of Property Plant and Equipment Infrastructure at cost 2017/18, refer to note 38.1(u)	115 695	-
Correction of Property Plant and Equipment Leases at cost Opening balance, refer to note 38.1(x)	(923 268)	(923 268)
Correction of Property Plant and Equipment Leases Opening balance, refer to note 38.1(aa)	384 156	384 156
Correction of Property Plant and Equipment Other Assets at cost, refer to note 38.1(bb)	688 069	-
Correction of Property Plant and Equipment Other assets at cost, refer to note 38.1(cc)	(598 726)	-
Correction of Property Land and Equipment Leases Opening balance, refer to note 38.1(dd)	(4 524 300)	(4 524 300)
Correction of Property Plant and Equipment Land & Buildings Opening balance, refer to note 38.1(hh)	2 759 311	2 759 311
Correction of Property Plant and Equipment - Land Buildings at Cost Opening balance, refer to note 38.1(ii)	(17 146 620)	(17 146 620)
Correction of Property Plant & Equipment Land Buildings Opening balance, refer to note 38.1(jj)	2 435 304	2 435 304
Correction of Property Plant & Equipment Community Assets Opening balance, refer to note 38.1(ll)	31 856 347	31 856 347
Transfer from Investment Property	130 752	-
Accumulated Depreciation	(348 932 420)	(315 223 601)
Correction of Accumulated Depreciation Movable Assets 2017/18 balance, refer to note 38.1(w)	(990 530)	(990 530)
Correction of Accumulated Depreciation Movable Assets Opening balance, refer to note 38.1(w)	(88 294)	-
Correction of Accumulated Depreciation Leases Opening balance, refer to note 38.1(x)	644 230	644 230
Correction of Accumulated Depreciation Leases Opening balance, refer to note 38.1(aa)	(20 886)	(20 886)
Correction of Accumulated Depreciation Leases 2017/18, refer to note 38.1(aa)	(136 051)	-
Correction of Accumulated Depreciation Movable 2017/18, refer to note 38.1(bb)	(277 261)	-
Correction of Accumulated Depreciation Movable 2017/18, refer to note 38.1(cc)	325 727	-
Correction of Accumulated Depreciation Leases Opening balance refer to note 38.1(dd)	3 118 614	3 118 614
Correction of Accumulated Depreciation Leases 2017/18 refer to note 38.1(dd)	1 405 686	-
Correction of Accumulated Depreciation Opening balance Leases refer to note 38.1(ee)	2 302 535	2 302 535
Correction of Accumulated Depreciation 2017/18 Leases refer to note 38.1(ee)	(1 252 493)	-
Correction of Accumulated Depreciation 2017/18 Leases refer to note 38.1(ee)	(867 750)	-
Correction of Accumulated Depreciation Movable Assets 2017/18 balance, refer to note 38.1(ff)	1 370 349	-
Correction of Accumulated Depreciation Movable Assets 2017/18 balance, refer to note 38.1(ff)	(1 156 589)	-
Correction of Accumulated Depreciation Opening balance, refer to note 38.1(ff)	10 852 407	10 852 407
Correction of Accumulated Depreciation Infrastructure 2017/18 balance, refer to note 38.1(gg)	(125 577)	-
Correction of Accumulated Depreciation Infrastructure Opening balance, refer to note 38.1(gg)	(38 658)	(38 658)
Correction of Accumulated Depreciation and Impairment Land Buildings Opening balance, refer to note 38.1(ii)	16 716 202	16 716 202
Correction of Accumulated Depreciation and Impairment Land Buildings 2017/18 balance, refer to note 38.1(ii)	1 593 117	-
Correction of Accumulated Depreciation and Impairment Land Buildings Opening balance balance, refer to note 38.1(jj)	(18 289 750)	(18 289 750)
Correction of Accumulated Depreciation Community Assets Opening balance, refer to note 38.1(ll)	(3 432 669)	(3 432 669)
Correction of Accumulated Depreciation Community Assets 2017/18, refer to note 38.1(ll)	2 030 612	-
Restated Balance	807 344 113	785 757 037

	2018 R	2017 R
38.03 Intangible Assets		
Balance previously reported		
Cost	2 528 942	1 578 627
Correction of Intangible Assets Opening balance, refer to note 38.1(y)	(232 779)	(232 779)
Correction of Intangible Assets 2017/18 balance, refer to note 38.1(y)	(30 466)	-
Accumulated Amortisation	(1 345 400)	(1 157 243)
Correction of Intangible Assets Amortisation Opening balance, refer to note 38.1(z)	171 345	171 345
Correction of Intangible Assets Amortisation 2017/18 balance, refer to note 38.1(z)	26 656	-
Restated Balance	1 118 297	359 950
38.04 Investment Property		
Balance previously reported		
Cost	84 601 654	84 601 654
Correction of Investment Property Opening balance, refer to note 38.1(mm)	(65 233 654)	(65 233 654)
Accumulated Amortisation	(18 215 916)	(16 564 460)
Correction of Investment Property Accumulated Depreciation Opening balance, refer to note 38.1(mm)	15 377 929	15 377 929
Correction of Investment Property Accumulated Impairment Opening balance, refer to note 38.1(mm)	(3 073 079)	(3 073 079)
Correction of Investment Property Accumulated Depreciation 2017/18, refer to note 38.1(mm)	1 532 756	-
Restated Balance	14 989 690	15 108 389
38.05 Receivables from Exchange Transactions		
Balance previously reported	40 634 647	40 122 563
Correction of Receivables from Exchange Transactions Opening balance, refer to note 38.1(d)	43 839	43 839
Restated Balance	40 678 486	40 166 401
38.06 Receivables from Non-Exchange Transactions		
Balance previously reported	9 642 020	12 097 800
Correction of Receivables from Non-Exchange Transactions 2017/18 balance, refer to note 38.1(ii)	973 400	973 400
Correction of Receivables from Non-Exchange Transactions 2017/18 balance, refer to note 38.1(ii)	1 689 110	-
Correction of Receivables from Non-Exchange Transactions 2017/18 balance, refer to note 38.1(ii)	(878 947)	(878 947)
Correction of Receivables from Non-Exchange Transactions 2017/18 balance, refer to note 38.1(ii)	(1 525 209)	(1 525 209)
Restated Balance	9 900 374	10 667 044
38.07 Non-Current Provisions		
Balance previously reported	58 478 687	54 260 486
Correction of Non-Current Provisions Opening balance, refer to note 38.1(q)	(31 424 032)	(31 424 032)
Correction of Non-Current Provisions Opening balance, refer to note 38.1(r)	(823 556)	-
Restated Balance	26 231 099	22 836 453
38.08 Trade and Other Payables from Exchange Transactions		
Balance previously reported	50 630 735	38 097 410
Correction of Trade Payables from Exchange Transactions 2017/18, refer to note 38.1 (b)	250 000	-
Correction of Trade Payables from Exchange Transactions 2017/18, refer to note 38.1 (c)	908 710	-
Correction of Trade Payables from Exchange Transactions Opening balance, refer to note 38.1 (e)	(1 035 717)	(1 035 717)
Correction of Trade Payables from Exchange Transactions 2017/18, refer to note 38.1 (l)	161 576	-
Correction of Trade Payables from Exchange Transactions Opening balance, refer to note 38.1 (o)	146 711	146 711
Correction of Trade Payables from Exchange Transactions Opening balance, refer to note 38.1 (n)	220 369	-
Correction of Trade Payables from Exchange Transactions 2017/18, refer to note 38.1 (s)	85 255	-
Correction of Trade Payables from Exchange Transactions 2017/18, refer to note 38.1 (u)	133 049	-
Correction of Trade Payables from Exchange Transactions 2017/18, refer to note 38.1 (00)	170 654	-
Restated Balance	51 671 342	37 061 693
38.09 Unspent Transfers and Subsidies		
Balance previously reported	9 695 218	-
Correction of Unspent Conditional Grants 2017/18, refer to note 38.1 (a)	(161 576)	-
Restated Balance	9 533 642	-

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	2018 R	2017 R
38.10 Taxes		
Balance previously reported	8 127 832	2 922 650
Correction of Taxes Opening balance, refer to note 38.1(j)	(396 787)	396 787
Correction of Taxes 2017/18, refer to note 38.1(k)	(245 084)	-
Correction of Taxes 2017/18, refer to note 38.1(l)	(21 075)	-
Correction of Taxes 2017/18, refer to note 38.1(u)	(17 354)	-
Correction of Taxes 2017/18, refer to note 38.1(s)	(11 120)	-
Restated Balance	7 436 412	3 319 438
	2019 R	2018 R
39. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS		
Surplus/(Deficit) for the year	53 132 580	62 591 920
Adjustments for:		
Depreciation and Amortisation	40 701 670	34 286 161
Loss/(Gain) on Sale of Fixed Assets	961 254	2 048 218
Impairment Loss/(Reversal of Impairment Loss)	(4 393 105)	(8 180 474)
Contributed Property, Plant and Equipment	(20 192)	(194 742)
Actuarial Losses	2 557 835	401 558
Actuarial Gains	(23 873 556)	(6 766 799)
Change in Provision for Rehabilitation Cost	756 090	3 394 645
Contribution from/to provisions - Non-Current Employee Benefits	11 299 974	10 403 561
Contribution to employee benefits-current	2 153 018	2 425 607
Bad Debts written off	34 636 459	36 122 983
Operating Surplus/(Deficit) before changes in working capital	117 912 026	136 532 638
Changes in working capital	1 751 665	(4 053 846)
Increase in Consumer Deposits	759 840	720 916
Increase/(Decrease) in Trade and Other Payables	4 032 426	14 462 910
Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	29 160 078	(653 869)
(Increase)/Decrease in Unpaid Conditional Public Grants and Reserves	(0)	2 685 184
Increase/(Decrease) in Taxes	(1 823 394)	4 910 549
(Increase)/Decrease in Inventory	(776 649)	(91 385)
(Increase)/Decrease in Trade Receivables from Exchange Transactions	(31 318 366)	(9 448 370)
(Increase)/Decrease in Other Receivables from Non-Exchange Transactions	1 715 280	(16 644 897)
(Increase)/Decrease in Operating Lease Asset	2 450	5 116
Cash generated/(absorbed) by operations	119 663 692	132 478 792
40 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Current Accounts - Note 11	-	-
Call Deposits and Investments - Note 11	98 030 410	63 510 176
Primary Bank Account - Note 11	25 080 246	7 459 285
Cash Floats - Note 11	37 860	37 860
Total cash and cash equivalents	123 148 517	71 007 321
41. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
Cash and Cash Equivalents - Note 40	123 148 517	71 007 321
Less:	(44 306 738)	(16 970 054)
Unspent Transfers and Subsidies - Note 18	(38 693 720)	(9 533 642)
VAT - Note 19	(5 613 018)	(7 436 412)
Net cash resources available for internal distribution	78 841 779	54 037 267
Resources available for working capital requirements	78 841 779	54 037 267

	2019 R	2018 R
42. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term Liabilities - Note 12	47 698 001	60 539 292
Used to finance property, plant and equipment - at cost	(47 698 001)	(60 539 292)
	-	-

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.

43. BUDGET INFORMATION

43.1 Explanation of variances between approved and final budget amounts

The reasons for the variances between the approved and final budgets are mainly due to virements, and the negative effect of the abnormal higher tariff increases on consumer debtors, additional revenue from National Government and reprioritising of capital projects, with the corresponding changes to funding sources.

Explanation of variances greater than 5%, or materiality of R6.2 million : Final Budget and Actual Amounts

43.2 Statement of Financial Position

43.2.1 Current Assets

Cash

Actual cash is R15.8 million more than budgeted because of the improved cash flow position subsequent to the revenue gains from the revenue enhancement strategy being implemented, as well as increased debt collection efforts and saving initiatives

Call Investment Deposits

Actual investments is R34 million more than budgeted because of the improved cash flow position subsequent to the revenue gains from the revenue enhancement strategy. Cash backed Unspent Grants to value of R39 million was also not anticipated as large capital projects could not be completed, for which a roll-over applications will be submitted.

Consumer Debtors

Consumer debtors is R14 million more than budgeted, mainly due to the fact that less debt was written off than anticipated. Only debt with regards to indigent households were written-off.

Other Debtors

Other debtors amount budgeted of relates to Fines that needs to be provided for in terms of iGRAP 1. The debtor is lower by R2.1 million due to the large amount of old fines written-off that was not taken into consideration. In terms of the Director of Public Prosecution all fines older than 18months and 24 months for which no action was taken should be written-off.

Current Portion of long-term receivables

Current portion is less than budgeted, because the actual operating lease straightlining calculation and subsequent journals were not taken into consideration when the budget was prepared. It was also anticipated that the operating leases will increase after signing of fixed term lease contracts

Inventory

Budget is R675 000 more than budgeted, due to more stock on hand at year-end than anticipated. More inventory were purchased during the year relating to consumables, and not yet issued at year end as anticipated

43.2.2 Non-Current Assets

Investment Property

Budget was based on the original register opening balances that were qualified during the previous audit. Investment Property was corrected in line with the fixed asset register, classification changes and costing was retrospectively corrected in terms of GRAP 3, as per audit report 2017/18

Intangible Assets

Budget is less than the actual amount, due to the purchase of intangible assets not taken into consideration. All computer equipment purchases were budgeted in one account against Property Plant and Equipment, and split at year end according to their nature.

43.2.3 Current Liabilities

Trade and Other Payables

Trade Payables is R4.8 million more than budgeted, due to increase in the creditor provisions at year end. Mainly due to large capital projects completed for which final invoices were issued after month-end June, that needs to be provided for as part of the creditor provisions

43.2.4 Non-Current Liabilities

Borrowing

Borrowing is R2.6 million less than budgeted, because of the financial vehicles were delivered only in June 2019, for which the repayment was only made based on 1 month and not a full financial year.

Provisions

Budget is R34 million less than the actual, because of the correction on Non-Current Provision for Rehabilitation Landfill sites, now taking into consideration the time value of money and unwinding of interest. This resulted in the provision to be adjusted materially downwards

43.2.5 Net Assets

Accumulated Surplus/(Deficit)

Accumulated Surplus is more than anticipated during the budget process, due to the much higher surplus in the Statement of Financial Performance. Surplus is higher mainly due to the actuarial gains, that can't be forecasted before hand due to the assumptions used by the expert actuaries.

Statement of Financial Performance

43.2.6 Revenue

Rental of Facilities and Equipment

Rental of facilities is R661 989 million more than budgeted, due to the increase in income received from rental of community halls. The budget is determined using past trends as a basis, which was lower than the actual revenue realised during 2017/18

Interest Earned - External Investments

Budgeted Interest on external investments is R2.6 more than budgeted due to the large amount of funds invested during 2018/19. The increase is measured against the much improved cash flow position and ability to make investments during the current financial year

Interest Earned - Outstanding Debtors

Rental of facilities is R352 601 million more than budgeted, due to the increase strict debt collection policy implemented. Interest levied on all outstanding debtors was more than anticipated, and was budgeted originally based on past trends from 2017/18

Fines, penalties and forfeits

Budgeted Revenue for Fines is R2million more than anticipated, because there was a new service provider appointed for speed camera fines as from 1 November 2018, and the law enforcement processes have improved from prior years due to the appointment of a new Head of Traffic Services

Licences and Permits

Budget is R330 296 more than actual revenue, due to incorrect classifications in terms of mSCOA during the year. This as corrected at year end, and revenue reallocated to correct accounts

Agency Services

Budgeted agency services income is R1.9 million more, due to changing economic conditions coupled to an increase in vehicle licence fees. This budget is based on actuals from previous years and forecasted with inflation. Agency services revenue is received for the renewal of vehicle licences and motor registrations, which increased substantially during the year.

Other Revenue

Actual revenue includes the actuarial gains to value of R23 million that was not included in the final budget. This amount is only available at year end after the actuarial valuations are performed, influenced by various economic and social factors

Transfers Recognised - Capital

Budgeted amount is R33 million higher than actual, due to the large capital projects funded from WSIG-Draught Relief funding and Department of Sport & Culture and Housing not being completed. A roll-over application will be submitted for all grant related projects committed but not completed.

43.2.7

Expenditure

Employee Related Costs

Employee related cost is R20 million below budget, due to vacancies that budgeted and not filled.

Debt Impairment

Debt Impairment budgeted relates to the Reversal/Contribution towards bad debt provision. This figure is based on actual payment ratio's per debtor at year end, main reversal in provision was due to the extent to which fines were written-off and not provided for impairment. This figure could not have been forecasted during the budget process accurately as the reports was only made available at year end.

Finance Charges

Finance charges is R1.3 million lower than budgeted, due to the lower interest that was calculated on the provision for landfill sites. Discounting was performed, which lead to a decrease in finance charges

Other Materials

Other materials are R7.5 million below budgeted amount, due to strict cost containment measures implemented to ensure a positive cash position. This underspending consists of inventory items and consumables that were not purchased.

Contracted Services

Contracted services are R11 million less than budgeted because of the reclassification in terms of the mSCOA Regulations. During budget process certain expenditure was classified as contracted services, but reallocated during the year-end procedures to Operational Cost.

Transfers and Grants

Transfer and Grants is R642 837 less budgeted, because certain subsidies budgeted with regards to Study Assistance and other were not paid out during the year. Expenditure was less than anticipated

Other Expenditure

Contracted services are R8million more than budgeted because of the reclassification in terms of the mSCOA Regulations. During budget process certain expenditure was classified as contracted services and inventory, but reallocated during the year-end procedures to Operational Cost.

Loss on Disposal of PPE

Budget on loss on disposal of assets could not be forecasted accurately and it was decided to not budget for uncertain events. Loss on Disposal is relating to the movable assets written-off by council as at 30 June 2019.

Cash Flow Statement

43.2.8 Net Cash from Operating Activities

Ratepayers and Other

Ratepayers and other is marginally less than budgeted, due to the payment percentage averaged at 97% for budget purposes. Actual was 96.5%.

Interest

Interest on investments and current bank account were more than budgeted due to the large amount of funds invested during 2018/19. The increase is measured against the much improved cash flow position and ability to make investments during the current financial year

Suppliers and Employees

Actual expenditure is R27.4 million lower than budget is mainly due to Employee Related Cost where vacancies could not be filled, the remainder is due to strict cost containment and saving measures implemented on expenditure

Finance costs

Finance Cost is R1.3million lower than budgeted, due to the lower interest charge towards the Landfill site than anticipated. After discounting the contributions were less than the budgeted amount.

Transfers and Grants

Transfer and Grants is R642 837 less budgeted, because certain subsidies budgeted with regards to Study Assistance and other was not paid out during the year. Expenditure was less than anticipated

43.2.9 Net Cash from Investing Activities

Capital Assets

Capital expenditure is R33 million lower than budgeted which comprises mainly out of the Human Settlement Grant project, Blossoms Pipe Line and Rosevalley Library Project that was not completed during the year. Roll-over applications will be completed.

43.2.10 Net Cash from Financing Activities

Repayment of Borrowing

Repayment of borrowing were R5.9 million more than budget, because the repayment of long outstanding creditors in arrears were not included in this item during budget process. It was actual cash that was repaid and should have been included.

	2019 R	2018 R
44. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
44.1 Unauthorised expenditure		
Reconciliation of unauthorised expenditure:		
Opening balance	313 708 083	313 708 083
Unauthorised expenditure current year - operational	-	-
Unauthorised expenditure current year - capital	-	-
Approved by Council or condoned	-	-
A report to deal with prior year unauthorised expenditure is being finalised and will be submitted to the council forthwith	313 708 083	313 708 083

	2019 Actual R	2019 Final Budget R	2019 Variance R	2019 Unauthorised R
<u>Unauthorised expenditure current year - operating</u>				
Community And Public Safety	108 001 818	134 674 704	26 672 886	-
Corporate Services	23 152 612	26 731 209	3 578 597	-
Executive & Council	60 413 566	60 660 608	247 042	-
Financial Services	41 548 917	41 890 479	341 562	-
Human Settlement	54 769 919	54 779 247	9 328	-
Municipal Manager	18 182 972	24 347 435	6 164 463	-
Strategic Services	19 833 296	22 105 258	2 271 962	-
Technical Services	295 776 263	309 397 490	13 621 227	-
	621 679 363	674 586 430	52 907 067	-

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 Actual R	2019 Final Budget R	2019 Variance R	2019 Unauthorised R
Unauthorised expenditure current year - capital				
Community And Public Safety	6 145 243	9 692 564	3 547 321	-
Corporate Services	-	-	-	-
Executive & Council	-	-	-	-
Financial Services	2 836 197	2 966 000	129 803	-
Human Settlement	-	5 000 000	5 000 000	-
Municipal Manager	2 623 342	3 417 304	793 962	-
Strategic Services	206 377	230 000	23 623	-
Technical Services	39 805 013	64 875 181	25 070 168	-
	51 616 172	86 181 049	34 564 877	-
			2019 R	2018 R

44.2 **Fruitless and wasteful expenditure**

Reconciliation of fruitless and wasteful expenditure:

Opening balance	35 433 650	34 956 608
Fruitless and wasteful expenditure current year	1 139 352	477 042
Condoned or written off by Council	-	-
A report to dealing with Fruitless and Wasteful expenditure is being finalised and will be submitted to the council forthwith		
	36 573 002	35 433 650

Fruitless and wasteful expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings		
Interest paid on arrear invoices of CF van der Mescht	None	-	26 057
Interest and legal fees paid to SA Rockdrills on full and final settlement	None	1 139 352	-
Interest paid on arrear invoices of Nurcha Financial Services	None	-	315 698
Interest paid on arrear invoices of Umvoto	None	-	111 199
Interest paid on arrear invoices of Lyners	None	-	24 087
		1 139 352	477 042

44.3 **Irregular expenditure**

Reconciliation of irregular expenditure:

Opening balance	328 015 448	280 598 811
Irregular expenditure current year	80 957 387	47 416 637
Irregular expenditure relating to prior years disclosed in current year	89 107 588	
Expenditure authorised i.t.o. Section 32 of MFMA	-	-
Condonement supported by council	-	-
Irregular expenditure awaiting further action	498 080 424	328 015 448

Irregular expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings		
Declaration of interest not submitted by supplier	Ongoing	83 767	81 150
Multiple deviations approved to the same supplier for the same service	Ongoing	1 991	42 415
Deviations not justifiable	Ongoing	424 387	-
No procurement process followed	Ongoing	153 820	142 619
Three quotations not obtained, no deviation process	Ongoing	-	25 389
No contracts available	Ongoing	-	616
Work done without purchase order/not registered on CSD	Ongoing	41 364	2 610
Payments made to suppliers exceed contract price	Ongoing	3 102 472	1 901 464
Tender advertised for less than required number of days	Ongoing	-	896 762
Payments exceeding the tender price, disclosed current year but incurred prior periods	Ongoing	2 280 497	11 690 426
Sec 32 Contract - ASLA not allowed	Ongoing	99 600 758	32 571 410
Sec 32 Contract - Syntell not allowed	Ongoing	8 563 007	
Sec 32 Contract - Makhukane Consulting not allowed	Ongoing	1 531 307	
Sec 32 Contract - Martin&East not allowed	Ongoing	27 341 546	
Sec 32 Contract - BDE Consulting	Ongoing	741 043	
Expenditure paid above tender value	Ongoing		11 981
Preferential Procurement Points calculation - VAT not taken into account	Ongoing	165 766	49 795
Formal Written price quotation process not followed for awards of procurements of a transaction value exceeding R200,000	Ongoing		-
Entered into inactive contracts secured by another organ of state	Ongoing		-

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Services rendered in contradiction with the tender specifications- SCM 11/2017	Ongoing	320 593	
Tenders awarded in contradiction with SCM Regulation 29(s) BAC meetings not constituted	Ongoing	24 967 510	
Overpayment of Councillor Remuneration	Ongoing	379 468	
Non-compliance with PPR	Ongoing	365 680	-
		170 064 976	47 416 637

Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. Investigations will be initiated and a complete report will be submitted to MPAC and Council for consideration

	2019 R	2018 R
45 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
45.1 Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)		
Opening balance	-	68 338
Council subscriptions	2 499 928	2 161 011
Amount paid - current year	(2 499 928)	(2 161 011)
Amount paid - previous years	-	(68 338)
Balance unpaid (included in creditors)	-	-
45.2 Audit fees - [MFMA 125 (1)(c)]		
Opening balance	(0)	(941 533)
Current year audit fee	6 971 631	6 846 126
External Audit - Auditor-General	6 971 631	6 846 126
Amount paid - current year	(6 965 852)	(6 846 126)
Amount paid - previous year	-	941 533
Balance unpaid (included in creditors)	5 778	(0)
45.3 VAT - [MFMA 125 (1)(c)]		
Opening balance	(7 436 412)	(2 922 650)
Nett movements	1 823 394	(4 513 762)
Closing balance	(5 613 018)	(7 436 412)
Input VAT	5 333 764	4 016 199
Output VAT	(10 946 782)	(11 452 611)
Closing balance	(5 613 018)	(7 436 412)
45.4 PAYE and UIF - [MFMA 125 (1)(c)]		
Opening balance	-	-
Current year payroll deductions	(30 792 599)	26 984 904
Amount paid - current year	30 792 599	(26 984 904)
Balance unpaid (included in creditors)	-	-
45.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]		
Opening balance	-	-
Current year payroll deductions and Council Contributions	58 637 318	52 170 011
Amount paid - current year	(58 637 318)	(52 170 011)
Amount paid - previous year	-	-
Balance unpaid (included in creditors)	-	-
45.6 Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005		

2018

Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b)

	Amount	Type of Deviation Single Supplier	Impractical	Emergency
July	164 281	-	164 281	-
August	82 811	-	82 811	-
September	-	-	-	-
October	-	-	-	-
November	-	-	-	-
December	25 080	-	-	25 080
January	412 529	-	107 372	305 157
February	312 390	63 413	248 977	-
March	293 012	26 843	266 168	-
April	6 677 279	-	160 268	6 517 011
May	1 550 443	22 242	1 158 953	369 249
June	6 973 007	2 995	1 073 012	5 897 000
Total	16 490 832	115 492	3 261 843	13 113 496

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2019

Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b)

	Amount	Type of Deviation Single Supplier	Impractical	Emergency
July	59 424	19 697	39 727	
August	106 153	67 670	38 484	
September	970 526	468 326	368 849	133 351
October	59 010	4 851	54 159	
November	92 237	10 691	81 545	
December	265 392	106 480	155 803	3 110
January	425 527			425 527
February	550 878	492 692	49 511	8 675
March	433 084	37 019	102 605	293 460
April	1 939 214	70 646	1 488 339	380 230
May	422 623	89 572	256 916	76 135
June	469 055	15 587	453 468	
Total	5 793 122	1 383 230	3 089 405	1 320 487

45.7 Additional disclosure in terms of the Broad Based Black Economic Empowerment Act

Information on compliance with the B-BBEE Act will be included in the annual report based on actual audited figures for the current and prior year

45.8 Material losses

Electricity distribution losses

Units purchased (Kwh)	149 604 912	152 635 303
Units lost during distribution (Kwh)	16 662 382	12 440 820
Percentage lost during distribution	11.14%	8.15%

Water distribution losses

Units purchased (ml)	4 919 019	6 451 108
Units lost during distribution (ml)	790 597	1 135 134
Percentage lost during distribution	16.07%	17.60%

46. FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price Risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:

	2019 R	2018 R
1% (2018: 1%) Increase in interest rates	503 324	29 709
1% (2018: 1%) Decrease in interest rates	(503 324)	(29 709)

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

	2019 %	2019 R	2018 %	2018 R
<u>Non-exchange Receivables</u>				
Rates	100.00%	6 858 311	100.00%	7 613 461
<u>Exchange Receivables</u>				
Electricity	30.84%	12 125 800	36.02%	14 223 240
Water	14.36%	5 648 537	19.39%	7 657 147
Property Rentals	0.00%	-	0.00%	-
Waste Management	6.09%	2 396 238	7.24%	2 859 367
Waste Water Management	9.03%	3 550 102	10.12%	3 996 431
Units not billed	29.65%	11 658 586	17.59%	6 947 073
Klein Karoo Water Scheme	1.80%	707 483	2.45%	968 353
Legal Fees Recovery	1.85%	727 184	1.84%	727 184
Sundry municipal charges	6.28%	2 471 423	5.29%	2 087 003
Prepaid expenditure	0.10%	38 748	0.04%	17 529
Other receivables	0.00%	20	0.00%	0
	100.00%	39 324 121	100.00%	39 483 328

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 12 and 13 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of receivables as follow:

	2019 %	2019 R	2018 %	2018 R
<u>Non-exchange Receivables</u>				
Rates	21.63%	14 686 660	17.19%	12 423 081
Fines	9.67%	6 562 471	16.71%	12 079 230
<u>Exchange Receivables</u>				
Services	68.70%	46 637 236	66.10%	47 777 162
	100.00%	67 886 367	100.00%	72 279 474

The provision for bad debts could be allocated between the different categories of receivables as follow:

	2019 %	2019 R	2018 %	2018 R
Government	0.33%	223 870	0.49%	351 356
Business	2.91%	1 974 075	2.32%	1 678 645
Residential	78.58%	53 342 365	72.16%	52 155 973
Indigents	8.41%	5 711 284	9.83%	7 101 830
Other	9.77%	6 634 774	15.21%	10 991 670
	100.00%	67 886 367	100.00%	72 279 474

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Balances past due not impaired:

	2019 %	2019 R	2018 %	2018 R
<u>Non-exchange Receivables</u>				
Rates	75.38%	2 240 225	57.96%	2 568 731
Fines	24.62%	731 784	42.04%	1 863 063
	100%	2 972 009	100%	4 431 794

Exchange Receivables

Services	100%	11 774 724	100%	13 066 048
	100%	11 774 724	100%	13 066 048

	2019 R	2018 R
Financial assets exposed to credit risk at year end are as follows:		
Receivables from exchange transactions	41 753 497	40 678 486
Receivables from non-exchange transactions	8 185 094	9 900 374
Cash and Cash Equivalents	98 030 410	63 510 176
	147 969 002	114 089 037

The municipality is also exposed to a number of guarantees issued in favour of trade creditors. These guarantees are listed below:

Guarantee held at Standard Bank of South Africa in the favour of AFS Fuel	200 000	200 000
Guarantee held at Standard Bank of South Africa in the favour of ESKOM	409 100	409 100
	609 100	609 100

(e) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2019				
Long-term Liabilities	19 916 699	35 652 365	2 808 790	-
Provision for Rehabilitation of Landfill-sites	7 646 095	7 182 669	6 323 447	231 754 974
Trade and Other Payables	55 703 764	-	-	-
Unspent Conditional Grants and Receipts	38 693 720	-	-	-
	121 960 277	42 835 034	9 132 238	231 754 974
2018				
Long-term Liabilities	21 682 393	52 136 995	2 808 790	-
Provision for Rehabilitation of Landfill-sites	7 431 125	-	13 379 490	226 139 159
Trade and Other Payables	51 671 342	-	-	-
Unspent Conditional Grants and Receipts	9 533 642	-	-	-
	90 318 502	52 136 995	16 188 280	226 139 159

		2019 R	2018 R
47. FINANCIAL INSTRUMENTS			
In accordance with GRAP104.45 the financial liabilities and assets of the municipality are classified as follows:			
47.1	<u>Financial Assets</u>	<u>Classification</u>	
	Receivables from Exchange Transactions		
	Electricity	Financial Instruments at amortised cost	18 155 976
	Water	Financial Instruments at amortised cost	22 766 527
	Property Rentals	Financial Instruments at amortised cost	506
	Waste Management	Financial Instruments at amortised cost	10 412 649
	Waste Water Management	Financial Instruments at amortised cost	12 620 038
	Legal Fees Recovery	Financial Instruments at amortised cost	727 184
	Klein Karoo Water Scheme	Financial Instruments at amortised cost	3 336 627
	Sundry municipal charges	Financial Instruments at amortised cost	6 221 095
	Other	Financial Instruments at amortised cost	23 421
			19 972 192
			25 396 161
			590
			11 470 886
			13 479 941
			727 184
			3 362 475
			5 816 667
			25 953
	Receivables from Non-Exchange Transactions		
	Suspense Debtors	Financial Instruments at amortised cost	-
			-
	Cash and Cash Equivalents		
	Bank Balances	Financial Instruments at amortised cost	-
	Call Deposits	Financial Instruments at amortised cost	98 030 410
	Primary Bank Account	Financial Instruments at amortised cost	25 080 246
			63 510 176
			7 459 285
	Total Financial Assets		197 374 680
			151 221 509
	Financial Instruments at amortised cost:		
	Receivables from Exchange Transactions	Electricity	18 155 976
	Receivables from Exchange Transactions	Water	22 766 527
	Receivables from Exchange Transactions	Property Rentals	506
	Receivables from Exchange Transactions	Waste Management	10 412 649
	Receivables from Exchange Transactions	Waste Water Management	12 620 038
	Receivables from Exchange Transactions	Legal Fees Recovery	727 184
	Receivables from Exchange Transactions	Klein Karoo Water Scheme	3 336 627
	Receivables from Exchange Transactions	Sundry municipal charges	6 221 095
	Receivables from Exchange Transactions	Other	23 421
	Receivables from Non-exchange Transactions	Suspense Debtors	-
	Cash and Cash Equivalents	Call Deposits	98 030 410
	Cash and Cash Equivalents	Primary Bank Account	25 080 246
			197 374 680
			151 221 509
	Total Financial Assets		197 374 680
			151 221 509
47.2	<u>Financial Liabilities</u>	<u>Classification</u>	
	Long-term Liabilities		
	Annuity Loans	Financial Instruments at amortised cost	40 942 662
	Capitalised Lease Liability	Financial Instruments at amortised cost	6 755 340
			50 787 593
			9 751 699
	Trade and Other Payables		
	Trade Payables	Financial Instruments at amortised cost	45 186 734
	Control, Clearing and Interface Accounts	Financial Instruments at amortised cost	1 155 032
	Retentions	Financial Instruments at amortised cost	3 065 386
	Payments received in advance	Financial Instruments at amortised cost	5 707 483
			43 396 116
			684 564
			1 571 315
			4 265 019
	Cash and Cash Equivalents		
	Bank Overdraft	Financial Instruments at amortised cost	-
			-
			102 812 638
			110 456 306

		2019 R	2018 R
SUMMARY OF FINANCIAL LIABILITIES			
Financial instruments at amortised cost:			
Long-term Liabilities	Annuity Loans	40 942 662	50 787 593
Long-term Liabilities	Capitalised Lease Liability	6 755 340	9 751 699
Trade and Other Payables	Trade Payables	45 186 734	43 396 116
Trade and Other Payables	Control, Clearing and Interface Accounts	1 155 032	684 564
Trade and Other Payables	Retentions	3 065 386	1 571 315
Trade and Other Payables	Payments Received in advance	5 707 483	4 265 019
		102 812 638	110 456 306

48. STATUTORY RECEIVABLES

In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:

Taxes			
VAT Receivable		5 333 764	4 016 199
Receivables from Non-Exchange Transactions			
Rates		29 434 226	34 402 686
Fines		21 544 971	20 036 542
		7 889 255	14 366 143
Total Statutory Receivables (before provision)		34 767 989	38 418 885
Less:	Provision for Debt Impairment	(21 249 132)	(24 502 311)
Total Statutory Receivables (after provision)		13 518 858	13 916 574

Reconciliation of Provision for Debt Impairment

Balance at beginning of year	24 502 311	26 080 962
Contribution to provision	13 679 148	10 908 227
Bad Debts Written Off	(16 932 328)	(12 486 878)
Balance at end of year	21 249 132	24 502 311

Balances past due not impaired

Non-exchange	2 972 009	4 431 794
	2 972 009	4 431 794

49. IN-KIND DONATIONS AND ASSISTANCE

The following officials provided services in-kind to the municipality in support of the Section 139 Intervention with the purpose of aiding with the financial, operational and institutional recovery of the municipality:

The municipality received the following in-kind donations and assistance:

Ms. Simms, funded by Department of Human Settlement through a subsidy that who's revenue is recognized in terms of GRAP 23

50 PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year.

		2019 R	2018 R
51.	CONTINGENT LIABILITY		
	The municipality is currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions. The following are the estimates:		
51.1	Cobus Louw Professional Engineers CC v Oudtshoorn Municipality		
	On/about the 17th of January 2014 the Municipality requested assistance from Cobus Louw Professional Engineers CC for the sourcing of external funding for possible infrastructure projects totalling R20,000,000. As per this request the sourcing of MIG funding was excluded. In terms of ECSA, a 30% of the total amount of project fees was due to the supplier which amounted to R560,960, but only paid R66 543. Although no summons was issued, we are of opinion that a contingent liability exist for the amount of R494,364.	494 364	494 364
51.2	P Esterhuizen v Oudtshoorn Municipality		
	Mr Pieter Esterhuizen made a claim of R52 290. for personal injuries sustained allegedly due to the road works done by the municipality. The insurance rejected the claim, and subsequently a summons was served against the municipality. The insurance company of the municipality is defending the matter.	52 290	52 290
51.3	D Hendricks vs. Oudtshoorn Municipality		
	Mr Henricks made a claim of R50 000. for personal injuries sustained allegedly due to an uneven pavement that he fell and sustained injuries. The insurance rejected the claim, and subsequently a summons was served against the municipality. The insurance company of the municipality is defending the matter.	50 000	50 000
51.4	Mr Bence vs. Oudtshoorn Municipality		
	Mr. Bence made a claim of R 218 000 in respect of monies paid in respect of arrears rates and services to obtain a clearance certificate, he is placing reliance on a constitutional court judgement made after the date of payment, the municipality is defending the matter and according to our attorney the applicant has very little chance of success.		
	Golden Rewards 965 cc. vs. Oudtshoorn Municipality		
	This matter involves the contract that was awarded to Golden Rewards 965 to build temporary structures for the displaced people. A settlement of amounts owed was paid out to the company in terms of the contract but this company alleges that a balance is still due, the Municipality denies that it owes the money.	155 000	
	B Kraft vs. Oudtshoorn Municipality		
	Municipality was sued for damages after the complainant fell into a pothole, the municipality's insurer is defending the matter.		
	A Monroe vs. Oudtshoorn Municipality Case 3118/18		
	Complainant sued Municipality for damages as a result of injuries sustained due to her falling in a pothole in St John street, the municipality's insurer is defending the matter		
		751 654	596 654
52.	CONTINGENT ASSET		
52.1	Oudtshoorn Municipality v Imvusa Trading (Pty) Ltd		
	The municipality disclosed under payables from exchange transactions the amount of R 3,4 million in respect of the creditor, Imvusa Trading for services relating to road repairs allegedly rendered and invoiced, the municipality instituted a counter claim for a similar amount as the payable claimed, for undue enrichment stemming from the irregular extension of the contract to Imvusa Trading (Pty) Ltd.	3 975 896	3 975 896

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

53. RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

54.1 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted.

54.2 Compensation of key management personnel

The compensation of key management personnel is set out in note 28 to the Annual Financial Statements.

54.3 Other related party transactions

The following purchases were made during the year where Councillors or staff have an interest:

Company Name	Related Party	Service Capacity	Relationship		
Imvusa Trading 1581 CC	A Le Kay	Manager: Cleansing Services	Wife of Manager: Cleansing Services	-	40 360
Imvusa Trading 1581cc T/a Mammas Plant Hire	A Le Kay	Manager: Cleansing Services	Wife of Manager: Cleansing Services	-	1 470
Kaybess Development Projects	V Booysen	Manager: Special Projects	Brother of Manager: Special Projects	-	26 000
Volmoed Quarries	A Le Kay	Manager: Cleansing Services	Wife of Manager: Cleansing Services	4 692	165 437
Suave Unlocked Pty Ltd	A. Oliphant	Communications Officer	Brother of Communications officer	73 330	-
GH Towing	G. Wolmerans	Disaster Management Officers	Disaster Management Officers	30 060	-
Bridgton Autospares	H Trimm	Traffic Officer	Brother of a Traffic Officer	13 000	
Voelgesang Boerdery	Mrs Schoeman	Teacher	Wife of the service provider working for Dept of Education	68 473	
Phandu Communications	Takalani Justices Services	Employee	Service Provider works for Land and Agricultural bank of SA	43 256	
Transform Construction	H. Malgas	Disaster Management Officers	Disaster Management Officers	311 887	-
				544 698	233 267

55. FINANCIAL SUSTAINABILITY

There has been a markable improvement in both the financial position and financial performance since the 2015/2016 financial year and through the subsequent financial years since the administration was lifted after the Local Government elections of 2016. Various cost savings initiatives, revenue enhancement, and debt collection efforts have aided in the improvement of the financial performance as well as the liquidity position of the municipality. The strengthening of financial and other internal controls have also aided in the financial recovery process of the municipality. Senior personnel are enforcing financial strategies and strict financial controls aimed at further improving accountability and reducing unnecessary expenditure also ensuring that more care is taken by the sub-ordinate managers and staff members in general, in the utilization of municipal resources.

Management is therefore of the opinion that will municipality will continue to operate as a going concern and perform it's functions as set out in

Financial Indicators

The following challenges are an indication of the risk relating to going concern:

- The current assets to current liabilities ratio is 1.18:1 which is still not within the norm of between 1.5 to 2:1 as stated in the National Treasury MFMA circular no. 71.
- A slight improvement on the 1.07:1 reported in the prior year.
- A consecutive surplus was realized from the comparative year.

Other Indicators

Possible outflow of recourses due the contingent liability disclosed in note 51.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2. PROPERTY, PLANT AND EQUIPMENT

2.1 30 JUNE 2019

	Cost/Revaluation								Accumulated Depreciation and Impairment Losses						Carrying Value
	Opening Balance	Correction of Error	Additions	Under Construction	Contributed PPE	Transfers	Disposals/ Impairment	Closing Balance	Opening Balance	Correction of Error	Depreciation	Transfers	Disposals/ Impairment	Closing Balance	
Land and Buildings															
Land	76 990 485							76 990 485	18 289 750					18 289 750	58 700 735
Buildings	45 256 088		192 758					45 448 846	8 055 611		803 446			8 859 057	36 589 789
	122 246 573	-	192 758	-	-	-	-	122 439 331	26 345 361	-	803 446	-	-	27 148 807	95 290 525
Infrastructure															
Roads & Stormwater	230 713 994	-	4 804 751	-		-	-	235 518 745	75 446 877	-	9 967 910	-	-	85 414 787	150 103 958
Electricity	147 834 117	-	1 987 560	3 601 387		-	-	153 423 064	46 585 725	-	4 694 601	-	-	51 280 326	102 142 737
Water Supply	364 057 108	-	8 510 791	10 370 180		-	-	382 938 079	95 772 171	-	9 269 949	-	-	105 042 120	277 895 959
Sanitation	86 188 715	-	10 991 324	2 547 538		-	-	99 727 577	21 986 641	-	3 537 897	-	-	25 524 539	74 203 039
Solid Waste Infrastructure	5 362 143		3 259 972					8 622 115	143 040		105 369			248 409	8 373 707
Communion Infrastructure			986 701					986 701						-	986 701
	834 156 076	-	30 541 100	16 519 105	-	-	-	881 216 281	239 934 454	-	27 575 726	-	-	267 510 180	613 706 100
Capitalised Restoration Cost	11 527 893							11 527 893	5 103 487		634 371			5 737 857	5 790 036
Community Assets															
Libraries	7 017 156	-	-	58 320		-	-	7 075 476	1 080 555	-	99 014	-	-	1 179 569	5 895 908
Civic Buildings	23 437 266	-	-	-		-	-	23 437 266	7 037 955	-	411 016	-	-	7 448 971	15 988 295
Recreational Facilities	81 884 482	-	762 334	-		-	-	82 646 816	32 344 230	-	1 256 164	-	-	33 600 394	49 046 422
Cemeteries	2 425 539	-	-	-		-	-	2 425 539	305 163	-	25 463	-	-	330 626	2 094 913
Other	11 282 116							11 282 116	2 993 980		172 707			3 166 687	8 115 428
	126 046 559	-	762 334	58 320	-	-	-	126 867 212	43 761 883	-	1 964 363	-	-	45 726 246	81 140 966
Other Assets															
Furniture and Office Equipment	12 136 232	-	460 726	-	3 595	-	(749 011)	11 851 541	4 467 084	-	1 262 085	-	(502 241)	5 226 928	6 624 613
Motor vehicles	19 217 294	-	-	-	-	-	(1 391 266)	17 826 029	9 175 039	-	817 302	-	(1 027 534)	8 964 806	8 861 222
Computer Equipment	5 506 424	-	1 398 326	-	16 597	-	(663 331)	6 258 016	1 337 226	-	845 442	-	(442 331)	1 740 338	4 517 678
Plant & Equipment	7 840 282	-	1 016 614	-	-	-	(318 817)	8 538 079	3 759 899	-	759 144	-	(223 551)	4 295 492	4 242 586
	44 700 232	-	2 875 665	-	20 192	-	(3 122 426)	44 473 664	18 739 248	-	3 683 973	-	(2 195 657)	20 227 564	24 246 100
Leases															
Vehicles and Office Equipment	15 444 123	-	3 065 033	-	-	-	(116 462)	18 392 694	6 468 504	-	5 640 316	-	(81 977)	12 026 843	6 365 851
	15 444 123	-	3 065 033	-	-	-	(116 462)	18 392 694	6 468 504	-	5 640 316	-	(81 977)	12 026 843	6 365 851
Total	1 154 121 456	-	37 436 889	16 577 425	20 192	-	(3 238 887)	1 204 917 076	340 352 936	-	40 302 196	-	(2 277 633)	378 377 498	826 539 577

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2.2 30 JUNE 2018

	Cost/Revaluation								Accumulated Depreciation and Impairment Losses						Carrying Value
	Opening Balance	Correction of Error	Additions	Under Construction	Contributed PPE	Transfers	Disposals/ Impairment	Closing Balance	Opening Balance	Correction of Error	Depreciation	Transfers	Disposals/ Impairment	Closing Balance	
Land and Buildings															
Land	76 990 485	-	-	-	-	-	-	76 990 485	18 289 750	-	-	-	-	18 289 750	58 700 735
Balance Previously Reported	74 555 181							74 555 181						-	74 555 181
Correction of error note 38.1(kk)	2 435 304							2 435 304	18 289 750					18 289 750	(15 854 446)
Buildings	45 173 415	-	-	82 673	-	-	-	45 256 088	7 253 109	-	802 502	-	-	8 055 611	37 200 477
Balance Previously Reported	59 414 012			82 673				59 496 685	23 969 310		2 395 618			26 364 929	33 131 756
Correction of Error note 38.1(ji)	(17 146 620)							(17 146 620)	(16 716 202)		(1 593 117)			(18 309 318)	1 162 699
Correction of Error note 38.1(gg)	146 711							146 711						-	146 711
Correction of Error note 38.1(hh)	2 759 311							2 759 311						-	2 759 311
	122 163 900	-	-	82 673	-	-	-	122 246 573	25 542 859	-	802 502	-	-	26 345 361	95 901 212
Infrastructure															
Electricity	125 270 240	-	5 797 927	16 765 950	-	-	-	147 834 117	42 285 947	-	4 299 778	-	-	46 585 725	101 248 391
Balance previously reported	125 270 240	-	5 608 097	17 139 625		-	-	148 017 962	42 285 947	-	4 279 730	-	-	46 565 677	101 452 285
Correction of error note 38.1(gg)								-			20 048			20 048	(20 048)
Correction of error note 38.1(m)				(32 544)				(32 544)						-	(32 544)
Correction of error note 38.1(p)				(341 132)				(341 132)						-	(341 132)
Correction of error note 38.1(o)								-						-	-
Correction of error note 38.1 (s)			74 135					74 135						-	74 135
Correction of error note 38.1 (u)			115 695					115 695						-	115 695
Water Supply	352 021 064	-	71 736	11 964 308	-	-	-	364 057 108	87 039 063	-	8 733 108	-	-	95 772 171	268 284 937
Balance previously reported	351 525 660	-	71 736	11 635 575		-	-	363 232 971	87 039 019	-	8 732 004	-	-	95 771 023	267 461 948
Correction of error note 38.1(gg)								44			1 104			1 148	(1 148)
Correction of error note 38.1 (h)	(17 784)							(17 784)						-	(17 784)
Correction of error note 38.1 (f)				(28 875)				(28 875)						-	(28 875)
Correction of error note 38.1 (i)	513 188							513 188						-	513 188
Correction of error note 38.1(m)				(3 262)				(3 262)						-	(3 262)
Correction of error note 38.1(l)				140 501				140 501						-	140 501
Correction of error note 38.1(n)				220 369				220 369						-	220 369
Sanitation	85 656 710	-	479 962	52 043		-	-	86 188 715	19 490 415	-	2 496 226	-	-	21 986 641	64 202 074
Roads & Stormwater	215 224 598	-	13 845 585	1 643 811		-	-	230 713 994	68 466 421	-	6 980 456	-	-	75 446 877	155 267 117
Solid Waste	4 630 709	-	-	731 433	-	-	-	5 362 143	38 614	-	104 425	-	-	143 040	5 219 103
Balance previously reported	4 976 787	-	-	731 433		-	-	5 708 221	38 614		104 425			-	5 708 221
Correction of error note 38.1(gg)														143 040	(143 040)
Correction of error note 38.1(g)	(346 078)							(346 078)						-	(346 078)
	782 803 321	-	20 195 209	31 157 546	-	-	-	834 156 076	217 320 460	-	22 613 994	-	-	239 934 454	594 221 622
Capitalised Restoration Cost	11 527 893							11 527 893	4 469 116		634 371			5 103 487	6 424 407
Community Assets															
Libraries	7 017 156	-	-	-	-	-	-	7 017 156	981 541	-	99 014	-	-	1 080 555	5 936 601
Balance previously reported	7 434 873							7 434 873	3 161 419	-	315 189			3 476 609	3 958 264
Correction of error note 38.1(II)	(417 717)							(417 717)	(2 179 878)		(216 176)			(2 396 053)	1 978 337
Civic Buildings	23 437 266	-	-	-	-	-	-	23 437 266	6 626 939	-	411 016	-	-	7 037 955	16 399 311
Balance previously reported	3 409 159							3 409 159	1 317 754	-	135 574			1 453 328	1 955 831
Correction of error note 38.1(II)	20 028 107							20 028 107	5 309 185		275 442			5 584 627	14 443 480
Recreational Facilities	81 753 729	-	130 752	-	-	-	-	81 884 482	31 094 193	-	1 250 037	-	-	32 344 230	49 540 252
Balance previously reported	81 232 999							81 232 999	33 194 749	-	3 468 590			36 663 339	44 569 661
Correction of error note 38.1(II)	520 730		130 752					651 482	(2 100 556)		(2 218 553)			(4 319 109)	4 970 591



ODTSHOORN MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Cemeteries	2 425 539	-	-	-	-	-	2 425 539	279 700	-	25 463	-	-	305 163	2 120 376
Balance previously reported	1 982 428						1 982 428	697 055	-	69 495			766 550	1 215 877
Correction of error note 38.1(ii)	443 111						443 111	(417 355)		(44 032)			(461 388)	904 498
Other	11 282 116	-	-	-	-	-	11 282 116	2 821 273	-	172 707	-	-	2 993 980	8 288 136
Balance previously reported							-						-	-
Correction of error note 38.1(ii)	11 282 116						11 282 116	2 821 273		172 707			2 993 980	8 288 136
	125 915 806	-	130 752	-	-	-	126 046 559	41 803 646	-	1 958 237	-	-	43 761 883	82 284 676
Other Assets														
Furniture and Office Equipment	12 442 996	-	758 183	-	8 750	(1 073 698)	12 136 232	4 285 251	-	602 878	-	(421 045)	4 467 084	7 669 147
Balance previously reported	11 519 551	-	759 586	-	8 750	(1 365 520)	10 922 367	7 898 000	-	1 455 848	-	(1 064 351)	8 289 497	2 632 870
Transfer between classes	(2 198)		(1 403)			834	(2 767)						-	(2 767)
Transfer from Leases	129 500						129 500						-	129 500
Correction of error 38.1(v), 38.1(w)	796 144						796 144	455 847		34 997			490 844	305 299
Correction of error 38.1(ff)								(4 068 596)		(887 967)		520 985	(4 435 579)	4 435 579
Correction of error 38.1(bb)						364 042	364 042					152 392	152 392	211 650
Correction of error 38.1(cc)						(73 055)	(73 055)					(30 070)	(30 070)	(42 984)
Motor vehicles	18 128 829	-	1 385 578	-	-	(297 112)	19 217 294	8 363 877	-	1 010 642	-	(199 481)	9 175 039	10 042 256
Balance previously reported	18 154 180	-	1 303 277	-	-	(99 735)	19 357 722	12 449 203	-	1 099 198	-	(96 073)	13 452 328	5 905 394
Transfer between classes	(86 878)		82 301			8	(4 569)						-	(4 569)
Correction of error 38.1(ff)							-	(4 126 311)		(92 664)		39 614	(4 179 361)	4 179 361
Correction of error 38.1(bb)						3 619	3 619					20	20	3 599
Correction of error 38.1(cc)						(201 004)	(201 004)					(143 042)	(143 042)	(57 962)
Correction of error 38.1(v), 38.1(w)	61 527						61 527	40 985		4 108			45 093	16 434
Computer Equipment	4 561 182	-	1 605 562	-	-	(660 320)	5 506 424	1 314 085	-	315 604	-	(292 462)	1 337 226	4 169 198
Balance previously reported	4 403 760	-	1 629 763	-	-	(735 768)	5 297 754	2 538 945	-	578 964	-	(563 216)	2 554 693	2 743 062
Transfer between classes	25 183		(24 201)			336	1 318						-	1 318
Correction of error 38.1(ff)							-	(1 307 980)		(271 566)		256 267	(1 323 278)	1 323 278
Correction of error 38.1(v), 38.1(w)	132 239						132 239	83 120		8 205			91 325	40 914
Correction of error 38.1(bb)						147 049	147 049					35 899	35 899	111 150
Correction of error 38.1(cc)						(71 937)	(71 937)					(21 412)	(21 412)	(50 525)
Plant & Equipment	7 857 641	-	739 559	-	185 991	(942 909)	7 840 282	3 394 333	-	811 503	-	(445 936)	3 759 899	4 080 383
Balance previously reported	7 163 183	-	796 257	-	185 991	(862 360)	7 283 071	4 333 276	-	888 672	-	(743 408)	4 478 540	2 804 532
Correction of error 38.1(ff)							-	(1 349 521)		339 723			(1 127 950)	1 127 950
Transfer between classes	60 299		(56 698)			(1 178)	2 423						-	2 423
Correction of error 38.1(v), 38.1(w)	634 158						634 158	410 578		40 983			451 561	182 598
Correction of error 38.1(bb)						173 359	173 359					88 950	88 950	84 408
Correction of error 38.1(cc)						(252 729)	(252 729)					(131 202)	(131 202)	(121 527)
	42 990 648	-	4 488 882	-	194 742	(2 974 039)	44 700 232	17 357 546	-	2 740 627	-	(1 358 925)	18 739 248	25 960 984
Leases														
Vehicles and Office Equipment	15 861 313	-	1 191 725	-	-	(1 608 916)	15 444 123	2 337 595	-	5 256 231	-	(1 125 322)	6 468 504	8 975 619
Balance previously reported	21 434 787	-	1 191 725	-	-	(1 993 071)	20 633 441	8 382 088	-	5 273 372	-	(1 993 071)	11 662 389	8 971 052
Correction of error 38.1(x)	(923 268)						(923 268)	(644 230)					(644 230)	(279 038)
Correction of error 38.1(aa)						384 156	384 156	20 886		136 051			156 937	227 218
Correction of error 38.1(dd)	(4 520 705)						(4 520 705)	(3 118 614)		(1 405 686)			(4 524 300)	3 595
Correction of error 38.1(ee)							-	(2 302 535)		1 252 493		867 750	(182 292)	182 292
Transfer to Other Assets	(129 500)						(129 500)						-	(129 500)
	15 861 313	-	1 191 725	-	-	(1 608 916)	15 444 123	2 337 595	-	5 256 231	-	(1 125 322)	6 468 504	8 975 619
Total	1 101 262 881	-	26 006 569	31 240 219	194 742	(4 582 955)	1 154 121 456	308 831 222	-	34 005 961	-	(2 484 246)	340 352 936	813 768 520



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2019

APPENDIX A
ODUTSHOORN LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2019

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2018	Received during the period	Redeemed written off during the period	Balance at 30 June 2019
ANNUITY LOANS							
Standard Bank	12.65%	330071688	2021/06	9 398 766		(2 758 014)	6 640 752
Standard Bank	11.09%	061134732	2022/12/31	4 337 823		(790 889)	3 546 934
Standard Bank	11.70%	302786511	2023/06/20	17 406 264		(2 737 431)	14 668 833
FNB	11.97%	4-000-022-701-624	2016/06	3 631 187		(1 327 542)	2 303 646
				-			-
Development Bank of SA				-			-
Urban Infrastructure Project 10608/1	14.00%	10608/1/01	2017/06	4 855 688		(618 717)	4 236 971
Multiple Infrastructure 101096/1	10.41%	101096/1	2024/06	72 673		(47 243)	25 430
Multiple Infrastructure 101096/2	10.16%	101096/2	2019/12	1 776 316		(236 842)	1 539 474
Multiple Infrastructure 101647/1	7.59%	101647/1	2025/12	285 715		(142 857)	142 858
Multiple Infrastructure 101647/3	6.88%	101647/3	2015/06	4 342 106		(578 947)	3 763 159
Infrastructure 102003/1	6.56%	102003/1	2025/12	2 426 079		(303 260)	2 122 819
Electricity And Water 102292/2	6.59%	102292/2	2016/06	303 607		(86 371)	217 236
Deep Aquifer Hydrogeological 13774	15.67%	13774	2021/06	1 951 369		(216 819)	1 734 550
Total Annuity Loans				50 787 592	-	(9 844 932)	40 942 661
LEASE LIABILITY							
LEASE LIABILITY							
Isuzu KB 250 F/Slide Reg Cab (Leed) CG 28191	12.01%		2020/01	95 262		(61 834)	33 428
Isuzu KB 250 F/Side Reg Cab (Leed) CG 30015	12.01%		2020/01	95 262		(61 834)	33 428
Isuzu KB 250 F/Side D/Cab Hi-Rider CG 29891	12.01%		2019/12	98 192		(72 346)	25 846
Chevrolet Utility 1.4 + A/c CG 16101	12.01%		2019/11	62 514		(46 059)	16 455
Chevrolet Utility 1.4 + A/c CG 10020	12.01%		2019/11	62 514		(46 059)	16 455
Chevrolet Utility 1.4 + A/c CG 17054	12.01%		2019/11	62 514		(46 059)	16 455
Chevrolet Utility 1.4 + A/c CG 15435	12.01%		2019/11	62 514		(46 059)	16 455
Isuzu KB 250 F/Side Reg Cab (Leed) CG 11569	12.01%		2020/02	94 885		(61 590)	33 295
Isuzu KB 250 F/Side Reg Cab (Leed) CG 15076	12.01%		2020/02	94 885		(61 590)	33 295
Isuzu KB 250 F/Side Reg Cab (Leed) CG 15299	12.01%		2020/02	94 885		(61 590)	33 295
Isuzu KB 250 F/Side Reg Cab (Leed) CG 28551	12.01%		2019/12	80 976		(59 661)	21 315
Isuzu KB 250 F/Side Reg Cab (Leed) CG 29837	12.01%		2019/12	80 976		(59 661)	21 315
Isuzu Trucks & Series NPR 400 Crew CAB AMT CG 29940	12.01%		2020/01	237 965		(164 281)	73 684
Chevrolet Utility 1.4 + A/c CG 14177	12.01%		2019/11	62 514		(46 059)	16 455
Chevrolet Utility 1.4 + A/c CG 15042	12.01%		2019/11	62 514		(46 059)	16 455
Chevrolet Utility 1.4 + A/c CG 14240	12.01%		2019/11	62 514		(46 059)	16 455
Isuzu Trucks & Series NPR 400 Crew CAB AMT CG 29933	12.01%		2020/01	237 965		(164 281)	73 684
Isuzu Trucks & Series NPR 400 Crew CAB AMT CG 29938	12.01%		2020/01	237 965		(164 281)	73 684
Chevrolet Utility 1.4 + A/c CG 31709	12.01%		2019/12	65 441		(48 216)	17 225
Chevrolet Utility 1.4 + A/c CG 15643	12.01%		2019/11	62 514		(46 059)	16 455
Isuzu KB 250 F/Side Reg Cab (Leed) CG 29836	12.01%		2019/12	80 976		(59 661)	21 315
Isuzu KB 250 F/Side Reg Cab (Leed) CG 17509	12.01%		2019/12	80 976		(59 661)	21 315
Isuzu KB 250 F/Side Reg Cab (Leed) CG 29835	12.01%		2019/12	80 976		(59 661)	21 315
Isuzu KB 250 F/Side Reg Cab (Leed) CG 11230	12.01%		2020/02	90 327		(58 632)	31 695
Isuzu KB 250 F/Side Reg Cab (Leed) CG 13791	12.01%		2020/02	94 885		(61 590)	33 295
Chevrolet Spark 1.2L CG 12963	12.01%		2019/12	62 133		(45 778)	16 355
Chevrolet Spark 1.2L CG 26073	12.01%		2019/12	62 133		(45 778)	16 355
Chevrolet Spark 1.2L CG 26828	12.01%		2019/12	62 133		(45 778)	16 355
Chevrolet Utility 1.4 + A/c CG 17629	12.01%		2019/11	62 514		(46 059)	16 455
Isuzu KB 250 F/Side Reg Cab (Leed) CG 28268	12.01%		2019/12	80 976		(59 661)	21 315
Chevrolet Utility 1.4 + A/c CG9909	12.01%		2019/11	62 514		(46 059)	16 455
Isuzu KB 250 F/Side Reg Cab (Leed) CG 30014	12.01%		2020/01	95 262		(61 834)	33 428
Chevrolet Utility 1.4 + A/c CG 10367	12.01%		2019/11	62 514		(46 059)	16 455
Chevrolet Utility 1.4 + A/c CG 16602	12.01%		2019/11	62 514		(46 059)	16 455
Isuzu KB 250 F/Side Reg Cab (Leed) CG 18605	12.01%		2019/11	80 976		(59 661)	21 315
Isuzu KB 250 F/Side Reg Cab CG 11214	12.01%		2019/12	97 498		(71 835)	25 663
Isuzu KB 250 F/Side Reg Cab (Leed) CG 4456	12.01%		2020/05	100 698		(55 277)	45 421
UD Trucks UD 85d Tipper CG 10546	12.01%		2020/05	467 607		(243 924)	223 683
Isuzu KB 250 LE 4x4 Reg Cab CG 30357	12.01%		2020/04	129 023		(74 702)	54 321
Isuzu KB 250 LE 4x4 D/Cab CG 30187	12.01%		2020/04	231 699		(134 150)	97 549
Isuzu KB 250 F/Side Reg Cab CG 30227	12.01%		2020/04	100 543		(58 213)	42 330
Chevrolet Spark 1.2 CG 28536	12.01%		2020/04	76 754		(44 439)	32 315
Isuzu KB 250 LE 4x4 D/Cab CG 4859	12.01%		2020/05	142 540		(78 246)	64 294
Isuzu KB 250 F/Side Reg Cab CG 30227	12.01%		2020/05	103 073		(56 581)	46 492
Isuzu KB 250 F/Side Reg Cab (Leed) CG 30283	12.01%		2020/04	96 309		(55 761)	40 548
Chevrolet Spark 1.2 CG 30261	12.01%		2020/04	76 754		(44 439)	32 315
Chevrolet Spark 1.2 CG 30263	12.01%		2020/04	76 754		(44 439)	32 315
Chevrolet Utility 1.4 + A/c CG 17761	12.01%		2020/04	70 244		(40 670)	29 574



EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2018	Received during the period	Redeemed written off during the period	Balance at 30 June 2019
Chevrolet Utility 1.4 + A/c CG 19934	12.01%		2020/04	70 244		(70 243)	1
Chevrolet Utility 1.4 + A/c CG 17096	12.01%		2020/04	70 244		(40 670)	29 574
Chevrolet Utility 1.4 + A/c CG 28297	12.01%		2020/04	70 244		(40 670)	29 574
Chevrolet Utility 1.4 + A/c CG 4845	12.01%		2020/04	73 445		(40 317)	33 128
Isuzu KB 250 LE 4x4 D/Cab CG 28060	12.01%		2020/01	207 520		(134 701)	72 819
Isuzu KB 250 F/Side Reg Cab (Leed) CG 4456	12.01%		2020/05	112 253		(61 620)	50 633
Isuzu KB 250 F/Side Reg Cab (Leed) CG 14422	12.01%		2020/05	215 955		(118 547)	97 408
Isuzu Trucks N Series NPR 400 CREW Cab Amt CG 16899	12.01%		2020/05	230 573		(126 572)	104 001
Isuzu Trucks N Series NPR 400 CREW Cab Amt CG 19856	12.01%		2020/05	230 573		(126 572)	104 001
Isuzu Trucks N Series NPR 400 CREW Cab Amt CG 13487	12.01%		2020/05	238 388		(130 862)	107 526
Isuzu Trucks N Series NPR 400 F/C CC CG 14545	12.01%		2020/05	215 955		(118 547)	97 408
Isuzu Trucks N Series NPR 400 CREW Cab Amt CG 16028	12.01%		2020/05	268 748		(147 527)	121 221
Isuzu KB 250 F/Side Reg Cab (Leed) CG 20551	12.01%		2019/12	80 976		(80 975)	1
UD Trucks UD 85d Tipper CG 16844	12.01%		2020/06	965 733		(503 769)	461 964
Isuzu Trucks N Series NPR 400 F/C CC CG 17050	12.01%		2020/06	484 204		(252 582)	231 622
Isuzu Trucks N Series NPR 400 F/C CC CG 29941	12.01%		2020/01	218 105		(148 859)	69 246
Isuzu KB 250C F/Side Reg Cab CG 17564	10.00%		2020/02	136 858		(79 376)	57 482
Isuzu KB 250C F/Side Reg Cab CG 16558	10.00%		2020/02	136 858		(79 376)	57 482
Isuzu KB 250C HO HI-RIDER Reg Cab 4x4 CG 7204	10.00%		2019/12	159 841		(103 887)	55 954
Isuzu KB 250C F/Side Reg Cab CG 7947	10.00%		2019/12	120 760		(78 487)	42 273
Isuzu KB 250C F/Side Reg Cab CG 6860	10.00%		2019/12	124 490		(80 911)	43 579
Isuzu KB 250 HO HI-RIDER Reg Cab 4x4 CG 7012	10.00%		2019/12	157 931		(102 645)	55 286
Toyota Hilux 2.4 GD-6 RB SRX CG 24657	10.00%		2021/02	180 678		(62 201)	118 477
Nissan NP200 1.6 8v BASE + AC UA6 CG 8758	10.00%		2019/11	75 055		(51 870)	23 185
Ford Ranger 2.2tdci L/r P/u S/c Cg 30855	10.25%		2022/05		197 461	(4 708)	192 753
Ford Ranger 2.2tdci L/r P/u S/c Cg 29680	10.25%		2022/05		197 461	(4 708)	192 753
Ford Figo 1.5ti Vct Ambiente (5dr) Cg 33999	10.25%		2022/05		137 388	(3 276)	134 112
Ford Figo 1.5ti Vct Ambiente (5dr) Cg 33996	10.25%		2022/05		137 395	(3 276)	134 119
Ford Figo 1.5ti Vct Ambiente (5dr) Cg 31834	10.25%		2022/05		137 395	(3 276)	134 119
Ford Ranger 2.2tdci XI 4*4 P/u Sup/cab Cg 34001	10.25%		2022/06		324 158	-	324 158
Ford Ranger 2.2tdci L/r P/u S/c Cg 32359	10.25%		2022/05		197 461	(4 708)	192 753
Ford Ranger 2.2tdci XI 4*4 P/u D/c Cg 32597	10.25%		2022/05		313 942	(7 485)	306 457
Ford Ranger 2.2tdci XI 4*4 P/u D/c Cg 34003	10.25%		2022/05		313 942	(7 485)	306 457
Ford Ranger 2.2tdci L/r P/u S/c Cg 34006	10.25%		2022/05		197 461	(4 708)	192 753
Ford Ranger 2.2tdci L/r P/u S/c Cg 33895	10.25%		2022/05		197 461	(4 708)	192 753
Ford Ranger 2.2tdci XI 4*4 P/u D/c Cg 34007	10.25%		2022/05		310 780	(7 410)	303 370
Ford Ranger 2.2tdci L/r P/u S/c Cg 34012	10.25%		2022/05		197 461	(4 708)	192 753
Suzuki Ertiga 1.5 Ga Cg 20395	10.25%		2022/05		205 267	(4 894)	200 373
							-
Total Lease Liabilities				9 751 698	3 065 033	(6 061 381)	6 755 350
TOTAL EXTERNAL LOANS				60 539 291	3 065 033	(15 906 312)	47 698 011

APPENDIX B
OUDTSHOORN LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2018 Actual Income R	2018 Actual Expenditure R	2018 Surplus/ (Deficit) R		2019 Actual Income R	2019 Actual Expenditure R	2019 Surplus/ (Deficit) R
			Governance and Administration			
105 671 209	(74 653 661)	31 017 548	Executive and council	94 594 377	(76 176 553)	18 417 824
87 380 211	(63 738 401)	23 641 811	Finance and administration	91 904 387	(68 455 531)	23 448 856
-	(1 672 503)	(1 672 503)	Internal audit	-	(1 791 543)	(1 791 543)
					-	
			Community and Public Safety			
5 438 000	(13 057 553)	(7 619 553)	Community and social services	5 716 320	(18 722 961)	(13 006 641)
2 495 784	(34 731 801)	(32 236 017)	Sport and recreation	1 753 110	(35 089 902)	(33 336 792)
9 467 945	(31 311 372)	(21 843 428)	Public safety	14 621 715	(32 425 254)	(17 803 539)
51 195 985	(41 870 423)	9 325 562	Housing	46 933 897	(54 769 919)	(7 836 022)
				-	-	
			Economic and Environmental Services			
-	(16 520 831)	(16 520 831)	Planning and development	-	(19 833 296)	(19 833 296)
22 404 909	(32 261 455)	(9 856 546)	Road transport	24 710 508	(39 389 312)	(14 678 805)
	-			-	-	
	-		Trading Services			
221 912 005	(173 384 941)	48 527 064	Energy sources	237 575 595	(180 650 275)	56 925 320
76 484 936	(42 127 417)	34 357 519	Water management	88 902 549	(45 779 920)	43 122 629
31 825 271	(20 665 952)	11 159 319	Waste water management	41 752 388	(23 793 386)	17 959 003
17 389 566	(26 727 583)	(9 338 017)	Waste Management	26 347 096	(24 801 511)	1 545 585
-	-	-		-	-	
			Other			
631 665 820	(572 723 892)	58 941 928	Sub Total	674 811 942	(621 679 363)	53 132 580
-	-	-	Less Inter-Departmental Charges	-	-	-
631 665 820	(572 723 892)	58 941 928	Total	674 811 942	(621 679 363)	53 132 580

APPENDIX C
ODTSHOORN LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019
MUNICIPAL VOTES CLASSIFICATIONS

2018 Actual Income R	2018 Actual Expenditure R	2018 Surplus/ (Deficit) R		2019 Actual Income R	2019 Actual Expenditure R	2019 Surplus/ (Deficit) R
			Executive & Council			
87 803 452	(50 168 085)	37 635 367	Council General	76 404 834	(53 543 337)	22 861 497
-	(65 799)	(65 799)	Office Of The Executive Deputy Mayor	-	(13 923)	(13 923)
-	(6 873 154)	(6 873 154)	Office Of The Executive Mayor	-	(6 368 734)	(6 368 734)
-	(443 449)	(443 449)	Office Of The Speaker	-	(487 572)	(487 572)
-	-	-	Municipal Manager	-	-	-
-	(2 832 501)	(2 832 501)	Office of the Municipal Manager	-	(2 895 918)	(2 895 918)
-	(1 672 503)	(1 672 503)	Internal Audit	-	(1 791 543)	(1 791 543)
17 868 678	(11 614 743)	6 253 935	Cango Caves	18 189 543	(12 867 069)	5 322 474
-	(7 600)	(7 600)	Risk Management	-	(628 442)	(628 442)
-	-	-	Corporate Services			
-	(2 632 487)	(2 632 487)	Office of HOD - Corporate Services	-	(2 028 342)	(2 028 342)
13 720	(300 294)	(286 573)	Council Support	-	(329 640)	(329 640)
-	(9 385 809)	(9 385 809)	Administration & Archives	-	(9 308 340)	(9 308 340)
1 065 288	(9 496 464)	(8 431 176)	Human Resources	629 452	(9 230 735)	(8 601 284)
-	(2 169 450)	(2 169 450)	Contract & Legal Services	-	(2 255 554)	(2 255 554)
-	-	-	Financial Services			
-	(3 177 107)	(3 177 107)	Office of the CFO	-	(6 001 454)	(6 001 454)
84 751 203	(13 568 526)	71 182 677	Income	88 441 552	(14 799 790)	73 641 761
-	(4 165 017)	(4 165 017)	Expenditure	-	(4 567 045)	(4 567 045)
-	(5 169 867)	(5 169 867)	Information Technology	-	(6 803 285)	(6 803 285)
1 550 000	(7 384 215)	(5 834 215)	Financial Accounting	2 833 384	(5 718 964)	(2 885 580)
-	(2 886 741)	(2 886 741)	Supply Chain Management	-	(3 658 379)	(3 658 379)
-	-	-	Community And Public Safety			
10 003	(13 030 938)	(13 020 935)	Office of HOD - Community Services	-	(14 390 106)	(14 390 106)
9 467 945	(31 311 372)	(21 843 428)	Protection Services	14 621 715	(32 425 254)	(17 803 539)
2 495 784	(22 072 354)	(19 576 570)	Parks & Recreation	1 753 110	(23 999 557)	(22 246 446)
5 338 000	(5 591 345)	(253 345)	Library Services	5 716 320	(6 489 637)	(773 317)
17 389 566	(24 623 540)	(7 233 975)	Cleansing Services	26 347 096	(21 763 701)	4 583 395
100 000	(7 094 717)	(6 994 717)	Council Buildings & Halls	-	(8 933 563)	(8 933 563)
-	-	-	Airport	-	-	-
-	-	-	Technical Services			
22 393 984	(34 083 701)	(11 689 717)	Civil Engineering Services	24 710 508	(42 435 472)	(17 724 965)
221 912 005	(171 044 953)	50 867 053	Electro-technical Services	237 575 595	(178 623 564)	58 952 031
-	(2 339 988)	(2 339 988)	Office Of Hod - Technical Services	-	(2 026 712)	(2 026 712)
76 484 936	(42 127 417)	34 357 519	Rural Water	88 902 549	(45 779 920)	43 122 629
31 825 271	(20 294 818)	11 530 453	Sewerage	41 752 388	(23 785 036)	17 967 353
-	(3 394 825)	(3 394 825)	Workshop	-	(3 125 560)	(3 125 560)
-	-	-	Human Settlement			
51 195 985	(41 529 291)	9 666 694	Human Settlement	46 933 897	(54 769 919)	(7 836 022)
-	-	-	Strategic Services			
-	(8 512)	(8 512)	IDP	-	(72 268)	(72 268)
-	(11 462 997)	(11 462 997)	Corporate Wide Strategic Planning	-	(14 116 798)	(14 116 798)
-	(5 049 322)	(5 049 322)	Town Planning	-	(5 644 230)	(5 644 230)
-	-	-				
631 665 820	(569 073 900)	62 591 920	Sub Total	674 811 942	(621 679 363)	53 132 580
			Less Inter-Departmental Charges			
631 665 820	-569 073 900	62 591 920	Total	674 811 942	-621 679 363	53 132 580

APPENDIX D
OUDTSHOORN LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2018	Correction of Error	Restated Balance 30 June 2018	Contributions during the year	Interest on Investments	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2019	Unspent 30 June 2019 (Creditor)	Unpaid 30 June 2019 (Debtor)
<u>National Government Grants</u>											
Equitable Share	-	-	-	67 861 000	-	-	(67 861 000)	-	-	-	-
Local Government Financial Management Grant	-	-	-	1 620 000	-	-	(1 620 000)	-	-	-	-
Municipal Infrastructure Grant	-	-	-	21 382 000	-	-	(1 170 610)	(20 211 389)	0	0	-
Integrated National Electrification Grant	0	-	0	5 600 000	-	-	(1 883 419)	(3 672 621)	43 960	43 960	-
Regional Bulk Infrastructure Grant - Department of Water Affairs and Forestry	1 613 986	-	1 613 986	-	-	-	-	-	1 613 986	1 613 986	-
Extended Public Works Program	-	-	-	2 822 000	-	-	(2 822 000)	-	-	-	-
Water services Infrastructure Grant	179 413	(161 576)	17 836	40 000 000	-	(179 413)	-	(15 339 961)	24 498 463	24 498 463	-
Total National Government Grants	1 793 399	(161 576)	1 631 822	139 285 000	-	(179 413)	(75 357 029)	(39 223 971)	26 156 409	26 156 409	-
<u>Provincial Government Grants</u>											
CDW operational support grant	46 825	-	46 825	-	-	-	-	-	46 825	46 825	-
Library Services	0	-	0	5 658 000	-	-	(5 450 701)	(207 299)	0	0	-
Rosevalley Library Grant	-	-	-	2 000 000	-	-	-	(58 320)	1 941 680	1 941 680	-
Integrating Housing Settlement Grant	4 870 256	-	4 870 256	50 538 845	-	-	(45 526 941)	-	9 882 160	9 882 160	-
Emergency Housing Programm	1 406 000	-	1 406 000	-	-	-	(1 406 000)	-	-	-	-
Finance Management Support Grant	0	-	0	1 480 000	-	-	(1 480 000)	-	0	0	-
Maintenance Main Road Subsidy	-	-	-	106 510	-	-	(106 510)	-	-	-	-
WC Municipal Financial Management Capacity Building G	17 684	-	17 684	360 000	-	-	(280 000)	-	97 684	97 684	-
Municipal Service Delivery and Capacity Building grant	-	-	-	900 000	-	-	(400 000)	-	500 000	500 000	-
Local Government Graduate Internship Grant	120 904	-	120 904	72 000	-	(54 904)	(69 039)	-	68 961	68 961	-
Cango Caves Infrastructure Grant	1 440 150	-	1 440 150	-	-	-	-	(1 440 150)	(0)	-	(0)
Municipal Infrastructure-Electricity Master Plan	-	-	-	617 000	-	-	(617 000)	-	-	-	-
Total Provincial Government Grants	7 901 819	-	7 901 819	61 732 355	-	(54 904)	(55 336 191)	(1 705 769)	12 537 310	12 537 310	(0)
Total Other Grant Providers	-	-	-	-	-	-	-	-	-	-	-
Total Grants	9 695 218	(161 576)	9 533 642	201 017 355	-	(234 317)	(130 693 220)	(40 929 740)	38 693 720	38 693 720	(0)

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received

MUN - Reconciliation of Table A1 Budget Summary

Description	2018/19							2017/18
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	4	6	7	8	12
R thousands								
Financial Performance								
Property rates	87 723	541	88 264	88 173	91	99.9%	100.5%	81 990
Service charges	356 916	(18 577)	338 339	334 867	3 472	99.0%	93.8%	326 459
Investment revenue	4 482	1 400	5 882	8 963	(3 080)	152.4%	200.0%	5 586
Transfers recognised - operational	109 019	20 546	129 565	130 694	(1 129)	100.9%	119.9%	113 150
Other own revenue	52 422	(9 310)	43 111	70 323	(27 211)	163.1%	134.1%	58 328
Total Revenue (excluding capital transfers and contributions)	610 562	(5 401)	605 161	633 019	(27 858)	104.6%	103.7%	585 513
Employee costs	263 061	(9 530)	253 530	233 488	20 042	92.1%	88.8%	215 633
Remuneration of councillors	11 154	(42)	11 111	10 887	225	98.0%	97.6%	10 022
Depreciation & asset impairment	22 507	18 798	41 305	40 702	603	98.5%	180.8%	34 286
Finance charges	19 266	(8 970)	10 296	8 021	2 275	77.9%	41.6%	11 575
bulk purchases	192 742	(8 988)	183 754	153 186	30 568	83.4%	79.5%	147 637
Transfers and grants	2 250	2 181	4 431	3 788	643	85.5%	168.4%	2 947
Other expenditure	144 223	25 935	170 158	170 745	(587)	100.3%	118.4%	154 719
Total Expenditure	655 203	19 383	674 586	620 817	53 770	92.0%	94.8%	576 820
Surplus/(Deficit)	(44 641)	(24 784)	(69 425)	12 203	(81 628)	-17.6%	-27.3%	8 693
Transfers recognised - capital	50 441	24 327	74 768	40 930	33 838			53 899
Contributions recognised - capital & contributed assets	-	-	-	-	-			-
Surplus/(Deficit) after capital transfers & contributions	5 800	(457)	5 343	53 133	(47 790)			62 592
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	5 800	(457)	5 343	53 133	(47 790)			62 592
Capital expenditure & funds sources								
Capital expenditure								
Transfers recognised - capital	43 862	21 846	65 708	40 930	24 778	62.3%	93.3%	53 737
Public contributions & donations	-	-	-	-	-			-
Borrowing	-	-	-	-	-			-
Internally generated funds	14 870	5 603	20 473	13 105	7 368	64.0%	88.1%	4 315
Total sources of capital funds	58 732	27 449	86 181	54 035	32 147	62.7%	92.0%	58 052
Cash flows								
Net cash from (used) operating	56 147	40 230	96 377	119 664	(23 287)	124.2%	213.1%	132 364
Net cash from (used) investing	(52 858)	(32 428)	(85 286)	(51 616)	(33 670)	60.5%	97.6%	(56 426)
Net cash from (used) financing	(8 226)	(1 112)	(9 337)	(15 906)	6 569	170.4%	193.4%	(32 825)
Cash/cash equivalents at the year end	35 281	37 480	72 761	52 141	20 620	71.7%	147.8%	71 007

MUN - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2018/19						2017/18
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand							
	1	2	3	4	7	8	12
Revenue - Standard							
Governance and administration	158 451	3 308	161 759	186 499	115.3%	117.7%	193 051
Executive and council	67 626	1 411	69 038	94 594	137.0%	139.9%	105 671
Finance and administration	90 824	1 896	92 721	91 904	99.1%	101.2%	87 380
Internal audit	–	–	–	–			–
Community and public safety	37 152	21 239	58 391	69 025	118.2%	185.8%	59 325
Community and social services	7 658	–	7 658	5 716	74.6%	74.6%	5 438
Sport and recreation	2 095	(221)	1 874	1 753	93.5%	83.7%	2 496
Public safety	–	–	–	14 622	#DIV/0!	#DIV/0!	195
Housing	27 399	21 460	48 859	46 934	96.1%	171.3%	51 196
Health	–	–	–	–			–
Economic and environmental services	41 709	(6 296)	35 413	24 711	69.8%	59.2%	31 678
Planning and development	56	–	56	–	0.0%	0.0%	–
Road transport	41 653	(6 296)	35 357	24 711	69.9%	59.3%	31 678
Environmental protection	–	–	–	–			–
Trading services	422 472	1 894	424 366	394 578	93.0%	93.4%	347 612
Energy Sources	248 051	(9 461)	238 590	237 576	99.6%	95.8%	221 912
Water Management	106 971	11 355	118 325	88 903	75.1%	83.1%	76 485
Waste water management	41 542	–	41 542	41 752	100.5%	100.5%	31 825
Waste management	25 909	–	25 909	26 347	101.7%	101.7%	17 390
Other	–	–	–	–			–
Total Revenue - Standard	659 784	20 145	679 929	674 812	99.2%	102.3%	631 666
Expenditure - Standard							
Governance and administration	167 156	(8 857)	158 299	146 424	92.5%	87.6%	138 286
Executive and council	89 267	(7 567)	81 699	76 177	93.2%	85.3%	72 875
Finance and administration	75 220	(1 182)	74 038	68 456	92.5%	91.0%	63 738
Internal audit	2 670	(108)	2 562	1 792	69.9%	67.1%	1 673
Community and public safety	109 930	18 199	128 128	141 008	110.1%	128.3%	96 830
Community and social services	21 136	355	21 491	18 723	87.1%	88.6%	12 179
Sport and recreation	39 003	1 554	40 557	35 090	86.5%	90.0%	34 732
Public safety	10 549	751	11 301	32 425	286.9%	307.4%	8 390
Housing	39 241	15 538	54 779	54 770	100.0%	139.6%	41 529
Health	–	–	–	–			–
Economic and environmental services	94 285	(1 191)	93 094	59 223	63.6%	62.8%	71 704
Planning and development	23 131	(1 276)	21 855	19 833	90.7%	85.7%	16 521
Road transport	71 154	85	71 239	39 389	55.3%	55.4%	55 183
Environmental protection	–	–	–	–			–
Trading services	283 832	11 233	295 065	275 025	93.2%	96.9%	262 254
Energy Sources	194 131	(3 900)	190 232	180 650	95.0%	93.1%	173 385
Water Management	37 915	11 101	49 016	45 780	93.4%	120.7%	38 477
Waste water management	24 327	925	25 252	23 793	94.2%	97.8%	20 666
Waste management	27 459	3 107	30 566	24 802	81.1%	90.3%	29 726
Other	–	–	–	–			–
Total Expenditure - Standard	655 203	19 383	674 586	621 679	92.2%	94.9%	569 074
Surplus/(Deficit) for the year	4 581	762	5 343	53 133	994.5%	1159.8%	62 592

MUN - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2018/19							2017/18
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	4	6	7	8	12
Revenue by Vote								
Executive & Council	46 599	1 171	47 770	76 405	160%	159.9%	164.0%	87 803
Municipal Manager	19 622	240	19 862	18 190	92%	91.6%	92.7%	17 869
Corporate Services	757	656	1 413	629	45%	44.6%	83.1%	1 079
Financial Services	90 123	1 241	91 364	91 275	100%	99.9%	101.3%	86 301
Community and Public Safety	52 995	(6 917)	46 079	48 438	105%	105.1%	91.4%	34 801
Technical Services	420 883	2 294	423 177	392 941	93%	92.9%	93.4%	352 616
Human Settlement	28 805	21 460	50 265	46 934	93%	93.4%	162.9%	51 196
Strategic Services				—				
Total Revenue by Vote	659 784	20 145	679 929	674 812	99%	99.2%	102.3%	631 666
Expenditure by Vote								
Executive & Council	65 463	(4 803)	60 661	60 414	100%	99.6%	92.3%	58 428
Municipal Manager	26 482	(2 134)	24 347	18 183	75%	74.7%	68.7%	16 127
Corporate Services	25 853	1 234	27 087	23 153	85%	85.5%	89.6%	23 985
Financial Services	44 857	(2 966)	41 890	41 549	99%	99.2%	92.6%	36 351
Community and Public Safety	131 959	5 717	137 676	108 002	78%	78.4%	81.8%	102 846
Technical Services	298 273	8 123	306 396	295 776	97%	96.5%	99.2%	273 287
Human Settlement	39 241	15 538	54 779	54 770	100%	100.0%	139.6%	41 529
Strategic Services	23 075	(1 326)	21 749	19 833	91%	91.2%	86.0%	16 521
Total Expenditure by Vote	655 203	19 383	674 586	621 679	92%	92.2%	94.9%	569 074
Surplus/(Deficit) for the year	4 581	762	5 343	53 133	995%	994.5%	1159.8%	62 592

MUN - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2018/19							2017/18
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand								
	1	2	3	4	6	7	8	12
Revenue By Source								
Property rates	87 723	541	88 264	88 173	91	0.0%	0.0%	81 990
Service charges - electricity revenue	236 916	(12 762)	224 154		224 154	0.0%	0.0%	214 893
Service charges - water revenue	70 099	(5 815)	64 283		64 283	0.0%	0.0%	63 730
Service charges - sanitation revenue	32 685	–	32 685		32 685	0.0%	0.0%	31 126
Service charges - refuse revenue	17 216	–	17 216		17 216	0.0%	0.0%	16 710
Service charges - other	–	–	–		–	0.0%	0.0%	–
Rental of facilities and equipment	2 790	(34)	2 757	3 418	(662)	0.0%	0.0%	3 453
Interest earned - external investments	4 482	1 400	5 882	8 963	(3 080)	0.0%	0.0%	5 586
Interest earned - outstanding debtors	6 682	(229)	6 453	6 805	(353)	0.0%	0.0%	6 949
Dividends received	–	–	–		–	0.0%	0.0%	–
Fines, penalties and forfeits	13 836	(6 906)	6 930	8 953	(2 023)	0.0%	0.0%	4 874
Licences and permits	–	330	330	–	330	0.0%	0.0%	–
Agency services	3 104	650	3 754	5 666	(1 912)	0.0%	0.0%	4 570
Transfers recognised - operational	109 019	20 546	129 565	130 694	(1 129)	0.0%	0.0%	113 150
Other revenue	26 010	(3 122)	22 888	382 073	(359 184)	0.0%	0.0%	30 301
Gains on disposal of PPE	–	–	–	(863)	863	0.0%	0.0%	(162)
Total Revenue (excluding capital transfers and contributions)	610 562	(5 401)	605 161	633 882	(28 721)	0.0%	0.0%	577 171
Expenditure By Type								
Employee related costs	263 061	(9 530)	253 530	233 488	20 042	92.1%	88.8%	215 633
Remuneration of councillors	11 154	(42)	11 111	10 887	225	98.0%	97.6%	10 022
Debt impairment	9 962	1 500	11 462	34 636	(23 175)	302.2%	347.7%	(8 086)
Depreciation & asset impairment	22 507	18 798	41 305	40 702	603	98.5%	180.8%	34 286
Finance charges	19 266	(8 970)	10 296	8 021	2 275	77.9%	41.6%	11 575
Bulk purchases	166 372	(9 490)	156 882	153 186	3 696	97.6%	92.1%	147 637
Other materials	26 370	502	26 872	19 276	7 596	71.7%	73.1%	12 703
Contracted services	22 309	12 091	34 400	23 211	11 190	67.5%	104.0%	21 459
Transfers and grants	2 250	2 181	4 431	3 788	643	85.5%	168.4%	2 947
Other expenditure	111 952	12 344	124 296	94 485	29 812	76.0%	84.4%	118 325
Loss on disposal of PPE	–	–	–					–
Total Expenditure	655 203	19 383	674 586	621 679	52 907	92.2%	94.9%	566 501
Surplus/(Deficit)	(44 641)	(24 784)	(69 425)	12 203	(81 628)	0.0%	0.0%	10 669
Transfers recognised - capital	50 441	24 327	74 768	40 930	33 838	0.0%	0.0%	53 899
Contributions recognised - capital	–	–	–	–	–	0.0%	0.0%	–
Contributed assets	–	–	–	–	–	0.0%	0.0%	–
Surplus/(Deficit) after capital transfers & contributions	5 800	(457)	5 343	53 133	(47 790)	0.0%	0.0%	64 568
Taxation	–	–	–	–	–	0.0%	0.0%	–
Surplus/(Deficit) after taxation	5 800	(457)	5 343	53 133	(47 790)	0.0%	0.0%	64 568
Attributable to minorities	–	–	–	–	–	0.0%	0.0%	–
Surplus/(Deficit) attributable to municipality	5 800	(457)	5 343	53 133	(47 790)	0.0%	0.0%	64 568
Share of surplus/ (deficit) of associate	–	–	–	–	–	0.0%	0.0%	–
Surplus/(Deficit) for the year	5 800	(457)	5 343	53 133	(47 790)	0.0%	0.0%	64 568

MUN - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2018/19							2017/18
	Original Budget	Total Budget Adjustments (i.i.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	4	6	7	8	12
Capital expenditure - Vote								
Multi-year expenditure								
Executive & Council	–	–	–	–	–	0%	0%	–
Municipal Manager	–	–	–	–	–	0%	0%	–
Corporate Services	–	–	–	–	–	0%	0%	–
Financial Services	–	–	–	–	–	0%	0%	–
Community and Public Safety	5 032	183	5 215	5 030	(185)	96%	100%	731
Technical Services	22 019	(542)	21 476	20 917	(560)	97%	95%	32 444
Human Settlement	–	5 000	5 000	–	(5 000)	0%	0%	–
Strategic Services	–	–	–	–	–	0%	0%	–
Capital multi-year expenditure	27 051	4 641	31 692	25 947	(5 745)	82%	96%	33 176
Single-year expenditure								
Executive & Council	–	–	–	–	–	0%	0%	–
Municipal Manager	2 945	702	3 647	2 623	(1 024)	72%	89%	1 335
Corporate Services	–	–	–	–	–	0%	0%	107
Financial Services	2 426	540	2 966	2 836	(130)	96%	117%	2 942
Community and Public Safety	10 165	(5 688)	4 477	1 115	(3 362)	25%	11%	2 042
Technical Services	16 144	27 255	43 399	18 888	(24 510)	44%	117%	17 510
Human Settlement	–	–	–	–	–	0%	0%	9
Strategic Services	–	–	–	206	206	0%	0%	–
Capital single-year expenditure	31 680	22 809	54 489	25 669	(28 820)	47%	81%	23 946
Total Capital Expenditure - Vote	58 732	27 449	86 181	51 616	(34 565)	60%	88%	57 121
Capital Expenditure - Standard								
Governance and administration	5 141	1 242	6 383	8 525	2 141	134%	166%	5 347
Executive and council	2 715	702	3 417	5 688	2 271	166%	210%	2 247
Finance and administration	2 426	540	2 966	2 836	(130)	96%	117%	3 099
Internal audit	–	–	–	–	–	0%	0%	–
Community and public safety	11 721	(12)	11 708	2 905	(8 803)	25%	25%	18 292
Community and social services	3 376	540	3 916	259	(3 657)	7%	8%	395
Sport and recreation	7 195	(5 552)	1 643	1 638	(5)	100%	23%	473
Public safety	1 149	–	1 149	1 009	(140)	88%	88%	1 303
Housing	–	5 000	5 000	–	(5 000)	0%	0%	16 120
Health	–	–	–	–	–	0%	0%	–
Economic and environmental services	2 712	1 985	4 697	5 067	370	108%	187%	11 124
Planning and development	230	–	230	206	(24)	90%	90%	–
Road transport	2 482	1 985	4 467	4 860	393	109%	196%	11 124
Environmental protection	–	–	–	–	–	0%	0%	–
Trading services	39 158	24 234	63 392	38 205	(25 188)	60%	98%	23 599
Energy Sources	4 639	1 809	6 448	5 647	(801)	88%	122%	11 477
Water Management	29 739	14 806	44 545	20 938	(23 607)	47%	70%	11 154
Waste water management	1 304	8 112	9 416	8 360	(1 056)	89%	641%	236
Waste management	3 477	(493)	2 984	3 260	276	109%	94%	731
Other	–	–	–	–	–	0%	0%	–
Total Capital Expenditure - Standard	58 732	27 449	86 181	54 701	(31 480)	63%	93%	58 361
Funded by:								
National Government	41 936	13 815	55 750	33 918	(21 832)	61%	81%	32 759
Provincial Government	1 926	8 031	9 958	1 874	(8 083)	19%	97%	20 978
District Municipality	–	–	–	–	–	0%	0%	–
Other transfers and grants	–	–	–	–	–	0%	0%	–
Transfers recognised - capital	43 862	21 846	65 708	35 792	(29 915)	54%	82%	53 737
Public contributions & donations	–	–	–	20	20	0%	0%	–
Borrowing	–	–	–	–	–	0%	0%	–
Internally generated funds	14 870	5 603	20 473	18 889	(1 584)	92%	127%	4 624
Total Capital Funding	58 732	27 449	86 181	54 701	(31 480)	63%	93%	58 361

MUN - Reconciliation of Table A7 Budgeted Cash Flows

Description R thousand	2018/19							2017/18
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and Other	471 900	(27 402)	444 498	437 355	(7 143)	98.4%	92.7%	426 255
Government Grants and Subsidies	159 460	44 873	204 333	200 783	(3 550)	98.3%	125.9%	167 049
Interest	10 964	1 178	12 141	15 768	3 626	129.9%	143.8%	12 535
Payments								
Suppliers and employees	(564 661)	14 793	(549 867)	(522 433)	27 434	95.0%	92.5%	(462 233)
Finance charges	(19 266)	8 970	(10 296)	(8 021)	2 275	77.9%	41.6%	(8 181)
Transfers and Grants	(2 250)	(2 181)	(4 431)	(3 788)	643	85.5%	168.4%	(2 947)
NET CASH FROM/(USED) OPERATING ACTIVITIES	56 147	40 231	96 378	119 664	-	124.2%	0.0%	132 479
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	-	-	-	-	100.0%	100.0%	435
Payments								
Capital assets	(52 858)	(32 428)	(85 286)	(51 616)	33 670	60.5%	0.0%	(56 975)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(52 858)	(32 428)	(85 286)	(51 616)	-	60.5%	0.0%	(56 540)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Increase (decrease) in consumer deposits	704	(41)	663	760	97	114.7%	108.0%	-
Payments								
Repayment of borrowing	(8 929)	(1 071)	(10 000)	-	10 000	0.0%	0.0%	(32 825)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(8 226)	(1 112)	(9 337)	760	-	-8.1%	-9.2%	(32 825)
NET INCREASE/ (DECREASE) IN CASH HELD	(4 937)	6 691	1 754	52 141				43 113
Cash/cash equivalents at the year begin:	40 218	30 789	71 007	71 007				27 894
Cash/cash equivalents at the year end:	35 281	37 480	72 761	123 149	50 388	169.3%	349.1%	71 007

Annexure B

Report of the Auditor General

Report of the auditor-general to the Western Cape Provincial Parliament and council on Oudtshoorn Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Oudtshoorn Municipality set out on pages 4 to 94, which comprise the statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Oudtshoorn Municipality as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No.56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2018 (Act No. 1 of 2018) (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* and, parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

7. As disclosed in note 38 to the financial statements, the corresponding figures for 30 June 2018 has been restated as a result of an error in the financial statements of the municipality at, and for the year ended 30 June 2019.

Material Impairments

8. As disclosed in note 9 to the financial statements, the municipality provided for debt impairment of receivables from exchange transactions amounting to R46 637 236 (2017-18: R47 777 162).
9. As disclosed in note 10 to the financial statements, the municipality provided for debt impairment of receivables from non-exchange transactions amounting to R21 249 132 (2017-18: R24 502 311).

Material losses

10. As disclosed in note 45.8 to the financial statements, material electricity losses of R17 054 581 (2017-18: R12 014 403) were incurred, which represents 11,14% (2017-18: 8,15 %) of total electricity purchased.

Underspending of the conditional grants

11. As disclosed in note 21.14 to the financial statements, the municipality underspent its conditional grant by R38 693 719 (2017-18: R9 533 641).

Other matters

12. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited disclosure notes

13. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on them.

Unaudited supplementary schedules

14. The supplementary information set out on pages 95 to 105 did not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting for the financial statements

15. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
16. In preparing the financial statements, the accounting officer is responsible for assessing the Oudtshoorn Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

17. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
18. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

19. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
20. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
21. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the annual performance report of the municipality for the year ended 30 June 2019:

Objectives	Pages in the annual performance report
Objective 5 – To provide basic services to all residents in an environmentally sustainable manner	11 – 12

22. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

23. The material findings in respect of the usefulness and reliability of the selected objectives are as follows:

Objective 5 – To provide basic services to all residents in an environmentally sustainable manner

All performance indicators

24. The indicators approved in the Integrated Development Plan (IDP) for selected objective were included in the objective 2 - *To achieve financial sustainability and strengthen municipal transformation and development*. The indicators within the selected objective in the approved Service Delivery and Budget Implementation Plan (SDBIP) and annual performance report submitted for audit are included in the objective - *To provide basic services to all residents in an environmentally sustainable manner*. This resulted in performance indicators reported in the annual performance report being materially inconsistent with indicators in the approved strategic planning documents, i.e. IDP and SDBIP.

TL 12: Provide subsidies for free basic electricity to indigent households (excluding Eskom supply areas) as at 30 June 2019

25. The achievement for target 4 800 reported in the annual performance report was 6 450. However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement 5 005.

TL 19: Provide refuse services to residential properties for which refuse is removed and billed for the service as at 30 June 2019

26. The achievement for target 13 750 reported in the annual performance report was 14 436. However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement 5 881.

TL 25: Provide piped water to residential properties which are connected to the municipal water infrastructure network and billed for the service as at 30 June 2019

27. The achievement for target 13 750 reported in the annual performance report was 15 237. However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement 6 772.

TL 26: Provide electricity to residential properties connected to the municipal electrical infrastructure network and billed for the service as at 30 June 2019

28. The achievement for target 13 750 reported in the annual performance report was 15 759. However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement 6 754.

TL 27: Provide sanitation services to residential properties which are connected to the municipal waste water (sanitation/sewerage) network and are billed for sewerage service, irrespective of the number of water closets (toilets) as at 30 June 2019

29. The achievement for target 13 750 reported in the annual performance report was 14 924. However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement 10 502.

Other matters

30. I draw attention to the matter below.

Achievement of planned targets

31. Refer to the annual performance report on pages 11 to 12 for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 19 to 29 of this report.

Report on the audit of compliance with legislation

Introduction and scope

32. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

33. The material findings on compliance with specific matters in key legislations are as follows:

Procurement and contract management

34. Some of the contracts and quotations were awarded to bidders based on preference points that were not allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations. Similar non-compliance was also reported in the prior year.

35. Some of the competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with SCM regulation 29(2). This non-compliance was identified in the procurement processes for the Rosevally formal settlements programme housing: electrification phase 3 and Refurbishment of booster pump station AP1, AP6, AP7 and Vlakteplaas.

36. Some of the construction contracts were awarded to contractors that were not registered with the CIDB and did not qualify for the contract in accordance with section 18(1) of the CIDB Act and CIDB regulations 17 and 25(7A).

37. Some of the bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 Preferential Procurement Regulation 8(2).

38. Some of the commodities designated for local content and production, were procured from suppliers who did not submit a declaration on local production and content as required by the 2017 preferential procurement regulation.

39. The performance of contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the prior year.

40. The contract performance and monitoring measures and methods were not sufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA.

Human resource management

41. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted for some staff, as required by section 67(1)(d) of the Municipal Systems Act, 2000 (Act No.32 of 2000) (MSA).

Expenditure management

42. Reasonable steps were not taken to prevent irregular expenditure amounting to R170 065 577, disclosed in note 44.03 to the financial statements as required by section 62(1)(d) of the MFMA.

Consequence management

43. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
44. Irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
45. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
46. Allegations of financial misconduct against senior managers were not always investigated, as required by disciplinary regulations for senior managers 5(3) and section 171(4) of the MFMA.
47. Allegations of financial misconduct laid against officials of the municipality were not investigated, as required by section 171(4)(a) of the MFMA.

Liability management

50. Long-term debt was incurred without a resolution of the municipal council approving the debt agreement, in contravention of section 46(2)(a) of the MFMA.

Annual financial statements and annual performance report management

51. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current provisions for rehabilitation of landfill sites, finance charges, and the disclosure of contractual commitments identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving a unqualified audit opinion.

<h3>Other information</h3>

52. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report The other information does not include

the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.

53. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
54. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
55. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

56. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
57. The control environment regressed as leadership did not provide adequate oversight regarding the implementation of action plans to address the prior year audit findings which resulted in a repeat finding in the areas of financial reporting, performance reporting and compliance with laws and regulations. Leadership plays an important role to ensure action plans are implemented, and because of the instability at leadership level, this had a direct impact of on timely implementation of action plans.
58. Although policies and procedures have been established in performance management and monitoring, the review roles and procedures have not been fully adhered to as there was no evidence that the performance management unit reviews the actual achievement against planned targets on a regular basis.
59. Leadership did not establish processes and procedures relating to commissioning of investigations into all instances of irregular and fruitless and wasteful expenditure to ensure implementation of consequence and compliance procedures.
60. Management did not prepare accurate and complete performance reports as the reported achievements against performance targets on material performance indicators were not accurate and complete. This is due to performance management unit putting significant reliance on the finance directorate – revenue and income department for reporting on actual achievements relating to service delivery performance indicators linked to revenue generation reported in the annual performance report.

61. Management did not prepare accurate financial financial statements that are supported by reliable evidence and information which adhere to GRAP and related standards and norms. Management did not prepare a non-current provisions for rehabilitation of landfill sites note, related finance charges, a complete contractual commitments and irregular disclosure notes
62. Deficiencies in the review processes and the ineffective implementation of compliance monitoring controls to ensure compliance with key applicable legislation resulted in the non-compliance with the MFMA and other applicable legislation and irregular expenditure being incurred.

Other reports

63. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. This report did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
64. The directorate of priority crime investigation was conducting an investigation on transgressions which transpired from the special investigation unit's report in 2015-16; investigation of the senior municipal official by the Serious commercial crime unit. The investigations were still in progress at the date of this report.

Auditor-General

Cape Town

30 November 2019



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected objectives and on the municipality’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Oudtshoorn Municipality’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.